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INTERIM REPORT OF SPECIAL
COMMITTEE

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INTERIM REPORT OF THE SPECIAL FINANCE COMMITTEE.

31st May 1922.

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BANGALORE,
31st *May* 1922.

To

A. R. BANERJI, ESQ., M.A., I.C.S., C.S.I., C.I.E.,
Dewan of Mysore, Bangalore

SIR,

INTERIM REPORT OF THE SPECIAL FINANCE COMMITTEE.

With reference to Government Order No. C. B. 171-21-1, dated the 3rd February 1922 appointing a Special Committee for scrutinising the financial position of the State and formulating proposals for restoring the equilibrium of the Budget, we beg to submit for the consideration and orders of Government our *interim* report containing recommendations in respect of the subjects considered by us so far.

2. The Committee commenced its sittings on the 13th February 1922 and has met 80 times.

3. Twenty-five officers and twenty one non-official gentlemen appeared before the Committee and gave evidence, supplemented in some cases by written memorandum, in the matter of effecting economies and improving revenue.

A list of witnesses is given below:—

(A) OFFICERS.

1. Mr. S. G. Forbes, Chief Electrical Engineer.
2. Mr. S. Cadambi, Chief Engineer.
3. Dr. W. F. Smeeth, officer in charge of ore and flux operations, Iron Works.
4. Mr. K. R. Srinivasa Iyengar, Revenue Commissioner.
5. Mr. C. Dove Wilson, Railway Secretary.
6. Mr. D. G. Dani, Agent, Mysore Railways.
7. Mr. T. Lakshminarasimha Rau, Auditor, Mysore Railways.
8. Sir Alfred Chatterton, Director of Sandalwood Oil Factories.
9. Mr. P. G. D'Souza, Director of Industries and Commerce with
   Mr. S. G. Sastry
   Mr. B. G. Appadorai Mudaliar
   Mr. P. V. Reddy
   } Officers in charge of Soap Factory, Central Industrial Workshop and Weaving Factory, respectively.
10. Mr. K. Chandy, Excise Commissioner.
11. Mr. B. V. Ramaiengar, Conservator of Forests.
12. Mr. A. Subramanya Iyer, Inspector-General of Police.
13. Mr. B. Jayaram, Director of Geology.
14. Mr. D. B. Ramachandra Mudaliar, Superintendent, Government Printing and Stationery.
15. Mr. C. S. Balasundaram Iyer, Inspector-General of Education.
16. Dr. H. B. Mylvaganam, Senior Surgeon.
17. Mr. K. R. Krishnaswamy Iyengar, Account-Assistant to Chief Commandant.
18. Mr. C. Venkata Rao, Superintendent, Amrut Mahal Department.
19. Mr. R. Ranga Rao, Registrar of Co-operative Societies.
20. Mr. K. Matthan, Chief Secretary to Government.
21. Mr. G. Aravamudu Iyengar, Deputy Commissioner, Shimoga.
22. Lt.-Col. Sardar Bahadur B. Chamaraj Urs, Chief Commandant.
23. Mr. P. Sampath Iyengar, Professor of Geology, Central College.
24. Dr. Brajendra Nath Seal, Vice Chancellor, Mysore University.
25. Mr. D. K. Darasha, Superintendent, Revenue Survey.

(B) NON-OFFICIALS.

1. Mr. D. Venkatesaiya, Advocate, Kolar.
2. ,, N. S. Nanjundiah, Pleader, Hassan.
3. ,, M. Anantha Setty, Advocate, Chitaldrug.
4. ,, H. G. Basavappa, Legislative Council Member, Shimoga.
5. ,, B. Garudachar, Advocate, Shimoga.
6. ,, B. Narasinga Rao, Pleader, Seringapatam, Representative of Bar Association, Mysore.
7. ,, Karnick Krishnamurthi Rao, Land Holder, Bangalore.
8. ,, A. Mrityunjaya Iyer, Retired Under Secretary, Muzrai Department.
9. ,, C. Subba Rao, Advocate, Shimoga.
10. ,, S. Venkatesaiya, Advocate, Hassan.
11. ,, M. Venkatakrishnaiya, Retired Head Master, Mysore.
12. ,, K. Rangaiangar, Advocate, Tumkur.
13. ,, B. K. Garudachar, City Mart, Bangalore.
14. ,, T. Narasinga Rao, Coffee Planter, Chikmagalur.
15. ,, Oosman Khan, Cloth Merchant, Vice President, District Board, Bangalore.
16. ,, V. Manickavelu Mudaliar, Managing Director, Mysore Industrial Bank, Bangalore.
17. ,, B. V. Ramaswamy Chetty, Advocate, Bangalore.
18. ,, Hoskoppa Krishna Rao, President, Malnad Land-Holders' Association, Hoskoppa.
19. ,, S. Seetharamaiya, Advocate, Representative of the Bar Association, Shimoga.
20. ,, C. Krishnamurthi, Advocate, President, Law Association, Bangalore.

Mr. M. Nanjappa, Landholder, & Merchant, Kantarajapura, Chennarayapatna

5. This interim report consists of two parts.

6. In the first part of the report the State's finances for the past five years are briefly reviewed and the causes of the deficit position analysed.

7. The second part deals with the Capital Works programme for the next year. The Committee is emphatically of opinion that the capital outlay in the ensuing year should be limited to the amount actually available in the Treasury for meeting such expenditure, *viz.*, about Rs. 50 lakhs, and fresh borrowing avoided.

8. In the third part the revenue resources are forecasted. We find that after meeting the marginally noted items of expenditure of about Rs. 130 lakhs, the amount of revenue available for service expenditure will be about Rs. 164 lakhs and that against this resource the demands of the service departments based on the estimates of the current year aggregate about Rs. 214 lakhs.

	Lakhs.
1. Subsidy	35
2. Interest on loans and other obligations	31¼
3. Palace	24½
4. Pensions (Civil and Military)	11
5. Famine Reserve and Sinking Funds for loans and interest on the Reserve Fund balances	28
Total Rs.	130

Measures have accordingly to be devised for reducing expenditure and for expanding revenues so as to get an improvement of about Rs. 50 lakhs in the revenue position.

9. We have generally reviewed the expenditure budgets of all the departments and the scale of salaries of the higher appointments in the State. We have considered which of the activities and schemes in operation might be suspended or abandoned in the present financial stringency.

10. The marginally noted service departments have been examined in detail with the Heads of Departments concerned. We have endeavoured to elicit public opinion on the matter in hand by inviting some leading non-official gentlemen for a personal discussion and calling for constructive suggestions on subjects in which they are interested. At the request of the Committee the Law Associations of Bangalore, Mysore and Shimoga deputed a representative each, to give evidence in their behalf before the Committee.

Land Revenue, Forest, Survey, Excise, Income-tax, Stamps, Registration, Mines Stationery and Printing, Police, Industries and Commerce. Public Works, Medical, Jails, Education, University, Geology, Co-operative Societies, Amrit Mahal, Kunigal Stud Farm, General Administration (excepting Comptroller's office), Muzrai and Military.

11. As it will take a few weeks more to complete the examination of the remaining departments and to consider some important questions, we have thought it

desirable to submit this *interim* report embodying our recommendations on matters already investigated in order to enable Government to pass orders on them and improve without delay the treasury position by preventing unnecessary expenditure.

12. Our suggestions for effecting retrenchments and economies in expenditure are detailed in the fourth part.

These proposals, if accepted by Government, will account for a saving of 31¾ lakhs of rupees in recurring expenditure and 1½ lakhs in non-recurring expenditure. (*Vide* Statement Page 4.)

As soon as the examination of the budgets of the remaining departments is completed, our recommendations regarding them will be submitted and they will be incorporated in the final report.

13. In the fifth part of this report, we have suggested certain measures for improving revenue, in respect of which we request that early action may be taken by Government. These proposals, if approved by Government, are expected to yield an additional income of about Rs. 3½ lakhs, with non-recurring receipts of about 27 lakhs of rupees. (*Vide* Statement, Page 4)

14. The question of increasing the revenue by imposition of additional taxation and by other means is under the consideration of the Committee and recommendations in that behalf will be submitted in due course after the expenditure side is fully explored.

We have the honour to be,
Sir,
Your most obedient servants,

K. P. PUTTANNA CHETTY,
Chairman.

M. C. RANGAIENGAR,
S. R. BALAKRISHNA RAO,
Md. ABBAS KHAN,
H. CHENNAIYA,
M. N. KRISHNA RAO,
C. S. BALASUNDARAM IYER,
Members.

Rough Estimate of Economies and Retrenchments in expenditure and Improvements in Revenue, recommended by the Committee.

No. of Resolution	Items in Part IV.	Savings per annum in thousands of rupees	
		Recurring	Non-recurring
1	The Administration	70	
2	Staff and Household of His Highness	45	
3	Revision of scale of salaries of officers of and above the grade of Deputy Commissioners (Part included in No. 35*)	71	
6	Economic Conference (Part included in No. 29)	71	
7	Grants for Public Improvements	3,83	
8	Abolition of post of the Sanitary Commissioner and Health Officers	44	
9	Village Savings and Collecting Savings Banks	7	
11	Medical (1) *vide* No. 23	90	
12	Scientific and Miscellaneous	24	
13	Supervision of Mines	12	
14	Civil Works—Miscellaneous establishment (included in No. 22) ..	..	
15	Civil Secretariat (1) (included in No. 30)	..	
16	Land Revenue	32	
17	Forest	90	
18	Excise	32	
19	Stationery and Printing	50	
20	Police	1,22	
21	Industries and Commerce	87	
22	Public Works Department	10,00	
23	Medical (2)	36	
24	Jails	10	
25	Railways (Savings shown on the receipt side)	..	
26	Education	4,30	1,55
27	Co-operative Societies	22	
28	Geology	25	
29	Amrut Mahal Department	22	
30	Secretariat, Civil (2)	63	
31	Muzrai	10	
32	Kunigal Stud Farm	74	
33	Military	1,62	
34	Travelling allowance	1,00	
	Total (A) (Savings in expenditure) ..	31,84	1,55
	Increase in Forest Revenue	240	
	,, Medical Receipts	50	
	,, Travellers' Bungalow fees	10	
	,, Co-operative Societies, levy of Court fees on suits ..	12	
	,, Amrut Mahal Department, sale of lands and assessment thereon	50	25,00
	,, Kunigal Stud Farm, sale of lands and assessment thereon	2	1,80
	Total (B) (Increase in revenue)	3,64	26,80
	Total Improvement—(A) ..	31,84	6,55
	(B) ..	3,64	26,80
		35,48	28,35

* Not printed.

PART I.

Review of Five Years' Finances.

13. The first term of reference to the committee requires a review "of the State's finances for the past five years with a view to ascertain the causes of the deficit in the revenue position." The latest quinquennium for which actuals are available is the period ending with 1920-21 and the appended Statement (*Vide* Page 9) shows the course of revenue and expenditure in the period from 1916-17 to 1920-21. The revised estimates of the current year are also entered in the statement for purposes of comparison with previous year's actuals.

14. The statement is prepared on the following lines in order to indicate clearly the true position of the State's finances during the period. On the revenue side the figures are given by major heads except in the case of departments included in the groups "Civil Administration," "Protection," "Public Works," "Moral and Material Development," and "Army and Defence," the receipts of which are clubbed together and shown as one figure. On the expenditure side the figures are entered for groups of departments, 'Interest on loans, etc.' is shown separately from all other revenue charges and all the reserves including Famine Reserve, Mining Revenue Capitalization Fund and the Sinking Funds for loans are omitted. The interest chargeable on the balances of such reserve funds is also omitted.

15. The total annual revenues during the past five years ranged between Rs. 294¾ lakhs and Rs. 315¼ lakhs and the average was about Rs. 307 lakhs. The total revenue expenditure rose from Rs. 243⅓ lakhs to Rs. 336⅓ lakhs and the growth of expenditure was continuous throughout the period. The increase in the annual level of expenditure in the quinquennium, measured with reference to the standard in the first year, was Rs. 11½ lakhs in the second year, Rs. 44 lakhs in the third year, Rs. 67¼ lakhs in the fourth year, and Rs. 93 lakhs in the fifth year. Comparing the first and last years of the period it will be seen that the expenditure in the latter year not only absorbed the yearly surplus of Rs. 55½ lakhs in the former and the increase in the total revenue of Rs. 14 lakhs including the new revenue from Income-tax, but also left a gap of Rs. 23¼ lakhs. The deficit of Rs. 23¼ lakhs does not, however, represent the full deterioration in the financial position. The large annual surpluses made it possible in the past not only to contribute to the Famine Insurance Reserve, and the Loan Sinking Funds and the other reserves necessary for financial stability, but also to set aside for capital purposes the royalty on gold. The position has now completely changed and the total revenues do not even suffice for meeting the present demands of service departments after providing for all obligatory expenditure. The contributions to the essential reserves, such as Famine Insurance and Loan Sinking Funds should form the first charge on the annual revenues and taking this important factor into calculation, the real shortage in the last year of the quinquennium was Rs. 43¾ lakhs as shown in the subjoined statement.

(In Thousands of Rupees).

	1916-17	1917-18	1918-19	1919-20	1920-21	Revised, 1921-22
Total Revenue	2,99,06	3,15,25	2,94,24	3,13,12	3,13,13	3,06,74
Actual expenditure	2,43,37	2,54,87	2,87,44	3,10,59	3,36,33	3,23,27
Interest on Reserve Fund balances ..	99	1,67	1,85	3,27	3,98	3,98
Contribution to Reserves.—						
Mining Revenue Capitalization Fund ..	9,27	8,72	7,11	6,03	7,62	7,47
Sinking Fund	3,33	3,33	3,33	3,33	3,80	18,78
Famine	5,00	5,00	5,00	5,00	5,00	5,00
Total of Interest on and contribution to Reserves	18,59	18,72	17,29	17,63	20,40	35,23
Total expenditure including Reserves ..	2,61,96	2,73,59	3,04,73	3,28,22	3,56,73	3,58,50
Surplus+	+37,10	+41,66	..	..	..	..
Deficit—	..	..	—10,49	—15,10	—43,60	—51,76

16. A comparison of the revenue position disclosed by the revised estimates of the current year with that in 1920-21 will show that in spite of attempts made to curtail departmental expenditure by over Rs. 29 lakhs, *i.e.*, from Rs. 322⅓ lakhs in 1920-21 to Rs. 293 lakhs in 1921-22, (*Vide* Statement (B), Page 9) the deficit condition has been rendered worse by the raising, in the current year, of the large loan of 2¼ crores for financing capital works, the bulk of the expenditure on which is not of an immediately remunerative character.

17. It is clear from what is stated above that expenditure during the period under review was permitted to grow quite disproportionate to the available resources. The causes responsible for the present unsound condition of the finances may be considered under three broad heads :-(1) ordinary revenue, (2) service expenditure, and (3) capital works.

18. The mainstay of our resources is the revenue from Land, but it has on the whole remained stationary at Rs. 108 lakhs throughout the period. The accretion of revenue properly due to Government in 28 taluks, for which the period of original settlement expired long ago, has not been realised. In some cases, the revision has been overdue for over 12 years. It is believed that a large number of revenue darkhasts is pending disposal for long periods resulting in loss of revenue.

The annual revenue from ' Forest ' exceeded Rs. 40 lakhs in three out of the five years and the bulk of the improvement over the level of revenue in the other two years was due mainly to the high prices which sandalwood realised. After the war, there was a fall in the market for sandal oil and consequently less consumption of sandalwood by the Government Factory and a substantial decline in the revenue under ' Forest,' dislocating the financial position. ' Excise ' is the only item of revenue which showed a steady expansion and its growth from Rs. 59¼ lakhs to Rs. 77¼ lakhs was similar to the corresponding improvement in other parts of India. Income-tax was levied from July 1920 and this accounts for the increase in revenue under head " IV. Income and Miscellaneous taxes " in the last year of the quinquennium. The receipts from ' Stamps ' increased by about Rs. 4 lakhs only and the Committee believes that the improvement should have been much larger under a stricter administration and closer supervision of the working of the stamp laws. Two payments were received in the period under review on account of " Surplus revenues of the Civil and Military Station," one of Rs. 10 lakhs in 1916-17 and another of Rs. 9¼ lakhs in 1918-19. The revenue due from 1918-19 has not been paid by the Government of India and the matter is said to be under correspondence. In view of the uncertainty as to the exact amount of the annual surplus available for transfer to the State, these amounts should not have been taken as representing a normal level of revenue and counted upon for increasing the permanant cost of administration.

There has been a continual decline in the ' Mining Revenue ' in the first four years of the period under review, and this was due to reduction in the output of gold from the Mines and to unfavourable exchange. Though the exchange is now becoming more favourable, the reduced output from the Mines coupled with the fall in the price of gold continues to prejudicially affect the revenue from this source.

The net revenue from ' Productive Works,' *e.g.*, Railways, Krishnarajasagara, and Electrical Works and the rest shows a rise during the period of review of only 7⅓ lakhs, *i.e.*, from 25 lakhs to 32⅓ lakhs, and this increase bears an inappreciable proportion to the large capital outlay of 3⅓ crores financed during the said period.

In spite of an improvement of about 22 lakhs in the gross earnings, the net earnings of Railways have during the period under review declined from 11¼ lakhs to 11 lakhs owing to the increased scale of working expenses. There is some increase of revenue under ' Electrical Works ' but it has been affected by the oscillation in exchange. The profits of Sandal Oil Factories have fluctuated violently owing to the largely varying price of oil and demand for the commodity.

19. The expenditure on almost all the service departments has increased by leaps and bounds. Comparing the first and last years of the quinquennium, it will be seen that there was an increase of Rs. 26½ lakhs under ' Moral and Material Development,' Rs. 15½ lakhs under ' Direct Demands on Revenue,' Rs. 15 lakhs under ' Protection,' Rs. 12½ lakhs under ' Civil Administration, ' about Rs. 10½ lakhs under ' Army and Defence ' and Rs. 8 lakhs under ' Public Works.'

20. The increase in service expenditure during the period under review was so large as 84½ lakhs in a year and was chiefly due to the following causes :—

(i) Revision of establishments in departments like Land Revenue, Forest Excise, General Administration, Police and Medical.

(ii) Expansion and development of activities under Education, Agriculture and Industries and Commerce Departments.

(iii) Increased expenditure under ' Army ' due to the War.

(iv) Introduction of new schemes like the separation of Judicial and Executive functions.

(v) Construction of large public buildings.

(vi) Enhanced cost of medicines and hospital necessaries, equipment and clothing, articles of stationery and other supplies consequent on a general rise in the level of wages and prices.

(vii) Improvement in the pay of subordinate staff on account of rise in prices of necessaries of life.

21. There is no limit to the number of desirable and useful measures which may be undertaken for improving and developing the administration. But there is always a limit to the amount which can be made available for such purposes. The zeal for departmental efficiency and progress and for undertaking measures of reform and expansion should not be permitted to outrun the limits of finance. The capacity of the State to add to its revenues is gradual and limited, as it has practically no elastic sources of revenue. There should always be a fair margin of excess of revenue over expenditure to enable the State to withstand any dislocation caused by factors beyond its control and tending to reduce its resources. Otherwise, the administration will be subject, as it now is, to violent contraction with all the waste, dislocation and disappointment inevitable when the activites of departments have to be suddenly curtailed to restore financial equilibrium.

22. The programme of capital works in the quinquennium under review was exceptionally heavy and the total expenditure incurred on them amounted to Rs. 3⅓ crores. For financing this programme the securities in the investment account were first pressed into service and a public loan of Rs. 140 lakhs was also raised in 1920.

At the beginning of the quinquennium, the State held securities of the market value of Rs. 199⅓ lakhs and at its close the corresponding value of the holding was only Rs. 55 lakhs. The reduction of Rs. 144⅓ lakhs was partly the result of depreciation in the capital value of the holding, but the bulk of it was due to the disposal of securities for financing large projects like the Krishnarajasagara and the Iron Works. As these projects are still incomplete and have not realized expectations, the sale of the holding has only had the effect of reducing the liquid reserve of the State and the annual income from interest on investments in securities.

The flotation of a second loan in the current year was found to be necessary for restoring the depleted liquid reserve and for financing further capital outlay. Expenditure on most of the Railways including the Mysore-Arsikere Line, on the second stage of the Krishanarajasagara Project and on the Iron Works is either totally unremunerative so far, or yields but a very poor return, the consequence being that the interest and sinking fund charges of the loans contracted for financing these works have become a burden on the general revenues and necessitated measures of retrenchment even in departments of beneficial activity like Education, Medical and Sanitation. The cost of many of these projects has largely exceeded the estimates and thus added to the unproductive debt of the State. Some works which were started without sufficient resources to carry them out have had to be abandoned, involving a serious loss. As additional expenditure has not brought in more revenue, the income from productive works has not on the whole improved.

23. The causes which have rendered the State's financial position unsound may now be summarised :—

(*i*) Sufficient attention was not paid to the development of certain permanent sources of revenue, such as Land Revenue and Stamps.

(*ii*) Want of due appreciation as between stable and unstable sources of revenue, in the matter of utilizing them for permanent or recurring expenditure.

(*iii*) Utilisation of the entire receipts from Mining Royalty as a normal item of revenue.

(*iv*) Raising the standard of service expenditure disproportionate to the average level of ordinary revenue.

(*v*) The starting of new services and expansion of activities of old service departments, simultaneously on a large scale.

(*vi*) Undertaking construction of numerous large buildings and other works without reference to the money available for completing them.

(*vii*) Simultaneous undertaking of a number of large capital works without reference to the resources available for financing them.

(*viii*) Incurring heavy expenditure from loan funds on projects which have proved wholly unproductive or which yield only a small fraction of the expected return and the consequent loss of interest income and the creation of an unproductive debt, the service of which is a burden on ordinary revenues.

STATEMENT SHOWING FIVE YEARS' FINANCES—FIGURES IN 000. **Revenue.**

	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22 Revised Estimate
I. Land Revenue	1,08,83	1,07,35	99,51	1,16,78	1,08,30	1,12,24
II. Forest	44,97	44,43	32,10	42,06	32,32	24,36
III. Excise	59,22	62,26	66,90	72,45	77,22	74,50
IV. Income and Miscellaneous Taxes	3,03	35	32	45	8,11	11,31
V. Stamps	11,51	12,35	12,72	16,09	15,70	15,80
VI. Registration	2,27	2,38	2,45	3,31	3,10	3,15
VII. Surplus Revenue of C. & M. Station.	10,02	....	9,28	..	..	....
VIII. Mining Revenues	17,61	16,24	14,46	12,44	14,82	15,29
IX. Interest	8,12	13,58	9,92	13,34	10,64	11,01
X to XXIII. Receipts of Service Depts. ..	8,49	8,77	9,69	11,04	10,55	8,82
(A).						
XXIV. Railways (Net)	11,23	14,28	14,87	18,07	10,91	8,28
XXV. Krishnarajasagara Works. (Net)	3,61	3,73	3,24	3,19	3,69	4,92
XXVI. Electrical Works (Net) ..	12,32	14,07	13,29	8,48	13,44	18,83
XXVII. Sandal Oil Factories (Net) ..	—2,70	15,24	5,57	—4,62	4,46	27
XXVIII. K. G. F. Water Supply. (Net)	53	23	—8	4	—13	....
XXIX. Industrial Works (Net) ..	..	..	..	..	..	—2,04
Total Revenue from productive works (A) ..	24,99	47,55	36,89	25,16	32,37	30,26
Total Revenue	2,99,06	3,15,25	2,94,24	3,13,12	3,13,13	3,06,74
Deficit	..	..	..	..	23,20	16,53
Total ..	2,99,06	3,15,25	2,94,24	3,13,12	3,36,33	3,23,27

Expenditure.

	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22 Revised Estimate (Rough)
(B)						
Direct Demands on Revenue ..	34,69	36,42	39,44	43,26	50,29	45,88
Charges against Mining Revenue ..	1,78	1,71	1,94	2,10	2,03	2,29
Palace	23,50	23,50	23,50	23,50	23,50	23,50
Civil Administration	27,53	30,43	32,86	49,25	39,94	40,09
Protection	26,56	27,97	34,01	33,45	41,42	39,16
Public Works	29,21	29,24	37,60	36,19	37,17	31,31
Moral and Material Development ..	34,32	39,24	51,86	48,48	60,93	53,09
Local Self-Government	8,03	8,74	6,27	6,40	5,51	3,17
Army and Defence	50,52	50,10	52,97	59,09	60,98	54,48
Miscellaneous Railway and Electric Expenditure.	1,71	1,43	1,05	93	59	16
Total (B) ..	2,37,85	2,48,78	2,81,50	3,02,65	3,22,36	2,93,13
Interest on loans and other obligations..	5,52	6,09	5,94	7,94	13,97	30,14
(C)						
Total Revenue expenditure (B) and (C)	2,43,37	2,54,87	2,87,44	3,10,59	3,36,33	3,23,27
Surplus	55,69	60,38	6,80	2,53	..	..
	2,99,06	3,15,25	2,94,24	3,13,12	3,36,33	3,23,27
Capital Outlay not charged to Revenue—						
Railways and Tramways	22,41	16,31	15,39	24,40	31,27	63,19
Krishnarajasagara Works	19,99	15,75	15,59	16,68	15,27	9,05
Cauvery Power Works	3,31	5,83	3,90	10,13	12,24	35,50
Industrial Works	3,13	2,20	8,29	25,98	59,22	46,52
Other Works	15	72	—50	5	92	58
Total ..	48,99	40,81	42,67	77,23	1,18,92	1,54,84

PART II.

Capital Programme for next Year.

24. The several officers responsible for the outlay on big capital works having been examined, the Committee has reviewed in detail the capital programme for the next year. The minimum requirements of the Department to be provided for amount to Rs. 122½ lakhs:—

		Lakhs.
(*i.*)	Cauvery Power Works	25
(*ii.*)	Krishnarajasagara Works	10
(*iii.*)	Kolar Gold Fields Water Supply Project and Bhadra Anicut and Channels	2
(*iv.*)	Railways	27½
	Total (*i*) to (*iv*) ..	64½
(*v.*)	Bhadravati Iron Works— Capital Outlay .. 25 .. .. Working Capital 33	58
	Total (*i*) to (*v*) ..	122½

25. The capital works grant for the current year was fixed at 108 lakhs and for financing them a public loan was raised in the early part of this year. The budget was framed on the anticipation of raising one crore of rupees by means of the loan. The loan was successful and an additional 125 lakhs (of which 103 lakhs represented new money) was obtained with a view to provide for the capital outlay of the next three years and avoid further borrowing during that period.

The capital budget of the current year has been far exceeded and the Comptroller estimates that by the end of the current year there would be about 50 lakhs of rupees only as surplus cash in the Treasury available for capital expenditure in the next year.

If the demands of the capital works for the ensuing year should be fully met as required by the departments, another public loan is inevitable. This means that the deficit condition of the Revenue Budget will be aggravated, as it will have to provide for additional interest and sinking fund charges. In these circumstances the Committee strongly deprecates further borrowing and is of opinion that every possible effort should be made to reduce as far as possible the outgoings in the current year and to limit the capital expenditure for the ensuing year to the amount of surplus cash available in the Treasury, *viz.*, about half a crore of rupees.

26. Taking the capital works seriatim, the Committee offers the following remarks and observations :—

Electrical Works.

Mr. Forbes has a programme for next year of an outlay of 44 lakhs. For carrying on this programme he requires a cash grant of about 25 lakhs, the rest being met by utilization of stock on hand. The following are the main items of demand :—

	Lakhs.
Sixth Installation (further progress)	22·67
Bangalore Interior Power Lighting	1·10
Reconstructing Bangalore Transmission Line	10
Mysore Interior Power Lighting	1
Reconstructing Mysore Power and Line distribution, etc...	6
Krishnarajasagara Power Works	2
Total ..	42·77
Minor items	1·23
Total ..	44

The Committee would recommend a grant of not more than 25 lakhs asked by Mr. Forbes as the works proposed to be undertaken are of an immediately remunerative character. Even this demand may be capable of reduction on closer scrutiny.

Krishnarajasagara Works.

27. The Chief Engineer wants 10 lakhs of rupees as part of the grant required to complete the Dam in four years according to the programme recommended by the Krishnarajasagara Committee. A sum not exceeding 10 lakhs may be given.

Railways.

28. The grant asked for railway capital expenditure is 27½ lakhs, 17½ lakhs for railways worked by the State and 10 lakhs for expenditure by the Madras and Southern Mahratta Company.

The important works for which provision is required in the next year's budget are those involving both capital and revenue expenditure, *i.e.*, for renewal of the Bangalore-Mysore lines by putting in heavier rails (the work to be finished in three years at the rate of 30 miles a year) and replacement of rolling stock. Both Messrs. Dove Wilson and Dani have urged that in view of the impaired condition of our lines and stock there is urgent necessity for undertaking the renewal programme from the next year. While recognizing the need for placing our railway property on a satisfactory basis, especially when action in this direction is being taken in other parts of British India, the Committee considers that the strain on both the capital and revenue budgets should be relaxed by taking up the replacement work in easier instalments and spreading it over six years instead of three as proposed by the department. As regards the other works for which allotments are wanted by the Agent and the Railway Secretary, the Committee has scrutinised the demands in detail and cut them down wherever possible. In the result, out of the grant of 17½ lakhs asked for, a sum not exceeding 15 lakhs may be given.

In respect of the grant of ten lakhs required for the M. & S. M. Company, the Committee thinks that it would not be possible to allot more than 5 lakhs during the next year.

Iron Works.

29. Now coming to Iron Works, the Committee understands that the prospects of this concern proving remunerative are very doubtful and it has seriously considered whether the works should be pushed on to completion in the present straitened circumstances. If the works are to be proceeded with, a public loan next year would be absolutely necessary. The Committee has come to the conclusion that by suspending the works for some years, this undesirable contingency would be obviated and the burden on the Treasury relieved. The Committee accordingly recommends that immediate orders may be issued to stop further expenditure and incurring of fresh obligations in respect of these works. The amount which the Treasury can then afford to spare on 1st July 1922 will about just suffice to meet all the other capital demands amounting to about half a crore of rupees without recourse to fresh borrowing. The Committee's view is strongly supported by the absolutely unanimous opinion of the non-official witnesses examined.

PART III.

Examining Revenue Resources and Balancing the Budget.

30. To enable the Committee to fix the amount of reduction to be effected on the expenditure side for balancing the budget, the present revenue resources were first considered. The following statement gives the provisional estimates of revenue in the light of the materials placed before the Committee :—

Major Head	Estimate in lakhs,	Remarks
I. Land Revenue	112	The current year's estimate is high as it anticipated collection of large amount of arrears. In view of past actuals, 112 is as far as we could go. The revised estimates of the current year support this. The accretion due to re-settlement operations not taken into account.
II. Forest	25	Based on the revised estimates of the current year. Only one factory is expected to work during the next year also.
III. Excise	68	This is a safe estimate. Consumption is on the decline and large refunds are expected.
IV. Income-tax	11	Based on the revised estimates of the current year.
V. Stamps	16	As in the current year. Capable of improvement.
VI. Registration	3	Do do do
VII. Assigned Tract Revenue	Nil	Pending correspondence with the Government of India.
VIII. Mining Revenue	13	The output is on the decline and premium on gold is tending to disappear.
IX. Interest	7	Based on the securities in the investment Account.
X to XXIII. Receipts of Service Departments ..	9	Based on the budget for the current year.
XXIV. Railways	7	Provision for renewals and replacement of rolling-stock and permanent way to be allowed.
XXV. & XXVI. Krishnarajasagara and Electrical Works.	23	As per Chief Electrical Engineer's Forecast.
XXVII. Sandal Oil Factory	Nil	No net receipts.
XXVIII. Kolar Gold Fields Water Works ..		
XXIX. Industrial Works .. .. Iron Works, etc		
Total ..	294	

31. An expenditure of about 102 lakhs, as per details given in the margin has first to be met from the revenues, and under the terms of the order appointing the Committee, provision for Famine Reserve and the Loan Sinking Funds has also to be made in the annual budgets. Including interest on the Reserve Fund Balances a sum of 28 lakhs has to be earmarked for these purposes. After meeting all these items aggregating 130 lakhs the amount available for expenditure by service Departments is about 164 lakhs. As against this resource, the demand for the service departments based on the budget estimates of the current year will be about 214 lakhs.

	Lakhs.
1 Subsidy	35
2 Interest	31½
3 Palace	24½
4 Pensions (Civil and Mily.)	11
	102

32. Steps have therefore to be taken for reducing expenditure and improving revenue to the extent of about 50 lakhs so as to restore the Budget to a state of equilibrium.

PART IV.

MEASURES OF RETRENCHMENT AND ECONOMY.

33. As regards retrenchments the following procedure was adopted by the Committee.

The growth of expenditure during the past 5 years in each department was first reviewed and the extent of provisional reduction in each of them which the Committee considered at first sight feasible roughly indicated. The Head of the Department concerned was requested to furnish the Committee with proposals for reducing expenditure in his department by abandoning or curtailing non-essential services, cutting down superfluous establishments, effecting decentralization wherever possible and simplifying work, readjusting salaries and allowances, and economising expenditure in other directions, such as outlay on works, equipment and clothing, stationery articles, contingencies, travelling allowances, etc.

On receipt of the views and suggestions of each Head of Department, he was invited for a personal discussion with the Committee, criticisms and suggestions were invited from competent non-official gentlemen and the following recommendations are made on a full consideration of all the materials placed before the Committee.

The present scale of salaries of higher appointments in the State Service has been examined and activities and schemes in operation reviewed.

34. The first instalment of recommendations for reduction of expenditure is now submitted for the consideration and early orders of Government.

Resolution No. 1.—ADMINISTRATION.

35. The Committee recommends that the Administration may consist of one Dewan and two ordinary Members of Council. The pay of the Dewan may be fixed at Rs. 4,000 with no conveyance allowance and that of the Councillors at Rs. 1,800.

36. The Motor Lorry and its establishment now maintained for carrying the Dewan's luggage on tours may be dispensed with.

Present cost	Proposed	Savings per annum
Salaries Rs. 1,63,000 ..	..	..
Other charges Rs. 22,000 ..	..	..
Total Rs. 1,85,000 ..	1,15,000	70,000

Resolution No. 2.—STAFF AND HOUSEHOLD OF HIS HIGHNESS THE MAHARAJA.

37. In view of the financial stress and the urgent need for economy in all departments, the Committee considers that a *prorata* reduction may be made in the present level of grant under "Staff and Household of His Highness the Maharaja" and that a respectful representation may be submitted to His Highness for graciously effecting a saving of Rs. 45,000 in the grant of Rs. 2,20,000 under this head.

Staff and Household of His Highness the Maharaja	Present cost	Proposed cost	Saving
1. *General Staff*— Salaries of Private Secretary to His Highness the Huzur Secretary, etc., and Establishment, Travelling Allowance and Contingencies	91,000	....	....
2. Medical Staff	24,000	....	....
3. Palace Lighting	70,000	....	....
4. Saloon and Tour Charges	35,000	....	....
Total ..	2,20,000	1,75,000	45,000

Resolution No. 3.—REVISION OF THE SCALE OF SALARIES OF OFFICERS OF AND ABOVE THE GRADE OF DEPUTY COMMISSIONERS.

38. Without prejudice to the emoluments of the present incumbents, the Committee recommends the following scale of salaries for the several officers of and above the grade of Deputy Commissioners.

The revision will result in an ultimate saving of about Rs. 71,000 per annum.

Designation	Present pay	Proposed pay	Approximate monthly savings
	Rs.	Rs.	Rs.
Chief Judge	3,500	2,000	1,500
Puisne Judges (2) ..	1,500—1,750	1,500	500
Revenue Commissioner ..	1,400+200 duty allce.	1,400	200
Director of Agriculture ..	1,700—2,500	1,200	1,000
Chief Engineer and P. W. Secretary	2,000	1,400	600
Agent, Mysore Railways.. ..	2,000	1,400	600 To be given the charge of Railway Secretary also.
Chief Electrical Engineer ..	2,300—2,500 (as per agreement)	1,500 (For a new incumbent)	1,000
Chief Secretary	1,400	No change	....
Financial Secretary	1,400	,,	,,
Revenue and General Secretary ..	Grade pay of Deputy Commissioner +D. A. of 150	Grade pay of Deputy Commissioner plus D. A, Rs. 100	One Secretary to be abolished. Savings against another 50.
Inspector-General of Police ..	1,400	,,	
Inspector-General of Education ..	1,400	,,	
Senior Surgeon and Inspector-General of Prisons.	1,400	,,	To be given the charge of the Sanitary Commissioner also the latter post being abolished.
Chief Commandant	1,000—1,400	800—1,200	200
Conservator of Forests	1,300—100—1,400 (Present incumbent gets 800)	800—1,200	500
Comptroller	1,000—1,200	No change	
Survey Superintendent	800—100—1,200	,,	
Deputy Commissioners ..	800 to 1,200	,,	
District Judges			
Director of Geology	1,000—1,200	....	To be abolished.
Vice Chancellor, Mysore University.	Rs. 2,000 plus conveyance allowance Rs 100.	Present incumbent on special agreement for seven years).	
Excise Commissioner	1,400+200	1,400	200 The question of abolition of this office is separately under consideration.
The Director of Industries and Commerce.	1,400	1,400	*Vide* Resolution No. 21.
Registrar of Co-operative Societies.	700—1,000	No change	
Superintending Engineers ..	1,000	....	To be abolished.
Chief Inspector of Mines ..	1,000—50—1,200 L.A. 200.	1,000—1,200 with no allowance	
Director of Archæological Researches	800+100.	....	To be abolished.
Muzrai Superintendent and Secy...	Grade pay of a Deputy Commissioner	....	Do

Resolution No. 4.—REDUCTION OF WORK AND STAFF BY DEVOLUTION OF DUTIES, ETC.

39. The Committee has reasons to believe that by a suitable devolution and redistribution of duties and by changing the methods of work, the clerical and other work in the various Government Offices, including the Secretariat can be considerably reduced, leading to administrative efficiency and retrenchment of staff to an appreciable extent, say 25 or 30 per cent. Non-official public opinion is unanimous on this point.

The committee therefore recommends that Government may be pleased to take immediate steps to start enquiries in this direction by placing an officer on special duty who will work in conjunction with the Heads of Departments and Offices. Report may be made to the Committee as soon as the enquiries of each office or department are completed as to the economies and retrenchments effected.

Resolution No 5.—VACANCIES NOT TO BE FILLED PERMANENTLY PENDING ISSUE OF ORDERS ON THE COMMITTEE'S REPORT

40. As considerable reductions in establishments have to be made in attempting to balance the budget, the Committee requests Government that circular instructions be issued to all Heads of Departments and Offices not to fill *permanently* any vacancies in their establishment, whether in executive, clerical, menial or other grades pending the issue of orders on the Committee's report. This remark applies to Gazetted posts also. In the meantime only temporary arrangements may be made if deemed necessary.

Resolution No. 6.—ECONOMIC CONFERENCE.

41. The Committee recommends that the entire scheme of Economic Conference may be suspended for the present, as sufficient funds cannot be found to work the organisation in an effective manner. If the proposal is accepted, the grant of Rs. 81,000 provided under the budget head '25 Economic Conference' will go, and further savings can be effected in the allotments for travelling allowance and tour charges of several Government officers under other Major Heads.

Resolution No. 7.—GRANTS FOR PUBLIC IMPROVEMENTS.

42. In the current year's budget a provision of Rs 3,83,000 is made for giving grants for public improvements. The Committee understands that the Improvement works in the Bangalore City have been handed over to the Municipality. In Mysore City also, the Trust Board may be wound up and the works handed over to the Municipality. Government grants for both the cities may be stopped for sometime. All the non-official witnesses examined by the Committee have entered their protest against any part of the State funds being allotted for the City improvements in the present straitened condition of the finances.

The scheme of alloting grants from General Revenues for Sanitary, Malnad, Water-supply and other public improvements may also be suspended. These proposals will result in a saving of Rs. 3,83,000 per annum from next year.

Resolution No. 8.—WHOLE-TIME SANITARY COMMISSIONER, ETC.

43. The Committee is of opinion that the appointment of whole-time Sanitary Commissioner on pay of Rs. 800—1,200 per mensem may be abolished and the same combined with the Office of the Senior Surgeon. The Senior of the two Assistant Directors in the Public Health Institute may be appointed Personal Assistant to the Senior Surgeon and Sanitary Commissioner.

The Public Health Department as a separate entity may be abolished both at headquarters and in the districts as sufficient funds cannot be placed at its disposal for effecting sanitary improvements and for prevention of epidemics. Not even a single non-official witness supported the retention of the whole-time Sanitary Commissioner and District Sanitary Officers.

These proposals will result in a saving of Rs. 44,000 per annum.

	Abstract of savings	Per annum
		Rs.
1.	Sanitary Commissioner	12,000
2.	Moiety of establishment, travelling allowance and contingent grants	4,000
3.	Seven Health Officers	21,300
4.	Allowance to District Medical and Sanitary Officer, Mysore and Bangalore	1,200
5.	Establishment of District Sanitary Officers	2,688
6.	Reserve Sanitary Inspectors and Sub Assistant Surgeons ..	1,240
7.	Reduction under travelling allowance and contingencies in districts	1,572
		44,000

Resolution No. 9.—VILLAGE AND COLLECTING SAVINGS BANKS.

44. The Scheme of Village and Collecting Savings Banks and Savings Associations costing about Rs. 7,000 per annum may be abolished. This activity was started in 1916 and the Committee does not think that it need be continued in the present circumstances.

Resolution No. 10.—RAISING THE AGE LIMIT FOR SUPERANNUATION.

45. To save pension charges which are on the increase, 11 lakhs, the Committee recommends that as a general rule the age of superannuation may be raised from 55 to 57. Some of the members are of opinion that it may be raised to 60. Mr. K. L. Datta, Special Financial Officer recommended the raising of the age-limit to 60. This recommendation does not apply to holders of offices whose abolition or reduction in pay is proposed.

Resolution No. 11.—LOCAL FUND DISPENSARIES.

46. The Committee is of opinion that the local bodies should be required to bear half the cost of salaries of Sub-Assistant Surgeons and of Europe medicines, instead of the Government wholly meeting such charges in all Local Fund Dispensaries. This proposal will reduce the State expenditure by about Rs. 90,000 per annum.

47. The dispensary in the Public Offices at Bangalore may be abolished, as it is not desirable that officials should absent themselves from their work during office-hours.

Resolution No. 12.—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.

48. The pay of Meteorological Reporter may be fixed at Rs. 200 to 300 after the present incumbent attains the age of superannuation (8-7-1922) and the * Probationer on (Rs. 180+75) absorbed. (* Since appointed Assistant Meteorological Reporter on Rs. 200 per mensem.)

49. The Office of the Director of Archæology need not be filled up after the retirement of the present incumbent and the department may be placed under the University.

50. The Museum requires to be materially improved and brought up-to-date if it should serve any useful purpose. As no money can be provided for such improvement, the establishment may be disbanded and the exhibits otherwise disposed of to the best advantage. The Arts and Crafts Depot now located in a rented bungalow in the Civil and Military Station may be shifted to the Museum building and the rent of Rs. 150 per mensem saved.

51. These proposals will result in a total saving of Rs. 24,100.

	Rs.
Meteorological Reporter 600 × 12 ..	7,200
Director of Archæology 800 + 100 × 12 ..	10,800
Museum	4,300
Rent charges saved 150 × 12 ..	1,800
Total ..	24,100

Resolution No. 13.—SUPERVISION OF MINES.

52. The separate Explosives Branch may be abolished. It is understood that the magazines have all been designed and rebuilt and that the bulk of the routine work of the branch lies on the Gold Fields. The Mining Inspection Staff may attend to it in addition to the other work.

This proposal will result in a saving of Rs. 12,000 per annum.

	Per annum Rs.
1. Inspector of Explosives (400-700)	7,800
2. Assistant Inspector (125-25-2-250)	2,400
3. Clerical and menial staff	828
	11,028
Travelling allowance, etc.	972
Total ..	12,000

Resolution No. 14.—CIVIL WORKS—MISCELLANEOUS ESTABLISHMENTS.

53. The travellers' bungalows at Bidadi, Yelahanka and such other places, which are not much frequented by the public may be abandoned and their establishments disbanded with a saving of about Rs. 1,000 per annum. The Revenue Commissioner is agreeable to this proposal. The buildings may be utilised for the Education Department or sold.

54. The grant for Hill Stations, Rs. 13,600, may be reduced by Rs. 5,000 by abolishing the Curator and Hill Assistant and appointing an Overseer on Rs. 50. Grants for improvements may be cut out and that for contingencies reduced from Rs. 1,200 to Rs. 600. Clerk on Rs. 20 and 3 peons may also be abolished.

Resolution No. 15.—CIVIL SECRETARIAT, ETC.

55. The Committee recommends that the number of Secretaries in the General and Revenue Secretariat may be reduced by one and their work redistributed among the remaining three Secretaries. This arrangement will result in a saving of Rs. 14,000 per annum.

56. The Reading Room Sections in the General and Revenue Secretariat, and the Comptroller's Office Libraries may be abolished and the establishment reduced. The grant for Newspapers and books may be limited to Rs. 2,500 in the General and Revenue Secretariat and to Rs. 1,000 in the Comptroller's Office.

Resolution No. 16.—LAND REVENUE DEPARTMENT.

57. (i) *Revenue Commissioner's Office.*—(*a*) The salary of the Revenue Commissioner may be fixed at Rs. 1,400 without any duty allowance. (*Vide* Resolution No. 3.)

(*b*) Of the two Assistants to the Revenue Commissioner, one may be abolished.

(*c*) The Office Establishment is capable of considerable reduction not only in the Head Office, but also in the districts and taluks. As suggested by the Revenue Commissioner, a Special Officer may be placed under him to study the possibilities of reduction of work and establishments in all the offices of the Revenue Department and report within three months.

(*d*) Grants for travelling allowances and contingencies may be reduced.

58. (ii) *District Establishment.*—(*a*) There has been some reduction recently in the number of Revenue Sub-Divisions. The sanctioned number at present is 17. According to existing orders, the Chintamani Sub-Division in the Kolar District is to be abolished after the Judicial Separation Scheme is introduced in that district. In view of the present financial stress, the Committee considers that this Sub-Division may also be brought under reduction immediately. The Revenue Commissioner thinks that though the work of this Sub-Division is light, the abolition of it will render the other two Sub-Divisions in the district heavy. The Committee does not consider that this is sufficient reason for the retention of the third Sub-Division. An Assistant Commissioner should be able to manage four or five taluks.

(*b*) The post of Personal Assistant to the Deputy Commissioner, Tumkur, is due to expire from 1st July 1922. In the opinion of the Committee, it would be desirable to abolish this appointment immediately so as to secure some saving in the current year's budget. The post is superfluous.

(*c*) The Committee considers that the Office of Personal Assistant to the Mysore Deputy Commissioner may also be abolished. The Deputy Commissioner who has no direct charge of any taluk can well do without a separate Assistant. The Assistant Commissioner in charge of the Treasury may assist the Deputy Commissioner in current work. Mr. Balasundaram Iyer thinks that the continuance of the Personal Assistant in the Mysore District is necessary as stated by the Revenue Commissioner.

(*d*) As regards the Subordinate Establishment in the districts, an appreciable reduction in cost is possible by devolution of powers and elimination of unnecessary work as already suggested above in respect of the Revenue Commissioner's Office.

59. (iii) In the matter of Taluk Establishments, the Committee concurring with the Revenue Commissioner recommends that the following four sub-taluks, *viz.*,

French Rocks (Mysore District), Gudibanda (Kolar District), Kumsi (Shimoga District), and Haribar (Chitaldrug District) may be abolished. This measure will result in a saving of about ten thousand rupees.

Amildars and Deputy Amildars may be given a permanent monthly allowance of Rs. 40 per mensem instead of being allowed to draw travelling allowances at the usual rates. This proposal, it is believed, will result in an appreciable saving in cost under travelling allowances.

60. (iv) A large reduction in the menial staff of all offices in the Revenue Department is feasible. This question will be considered separately as part of the general scheme of retrenchment in the menial staff in all departments of the State.

61. (v) The saving in the cost of the department, excluding that due to reduction of clerical and menial staff under separate consideration will be about Rs. 32,000 per annum.

62. The question of redistribution of districts and taluks is under the Committee's serious consideration. A large number of witnesses have strongly recommended this measure of retrenchment. They are of opinion that the two Districts of Kadur and Chitaldrug may be abolished by portions of them being added on to the remaining adjoining districts. The number of taluks is proposed to be reduced from 68 to 50. Even after such readjustment the District and Taluk jurisdiction will generally be much smaller than in British Provinces. The Committee's recommendation on this important subject will be submitted in due course.

Resolution No. 17.—FOREST DEPARTMENT.

63. The Committee recommends the following measures of retrenchment in the Forest Department resulting in a saving of about Rs. 90,000 per annum.

64. The pay of the Conservator of Forests may be fixed at 800—100—1,200 (*vide* Resolution No. 3.)

65. As recommended to Government by the Conservator of Forests in his memorandum submitted with his D. O. letter No. 86, dated 27th November 1921, the number of divisional charges may be reduced from 12 to 10 and the Forest School abolished. These proposals will result in a saving of Rs. 26,000 per annum.

66. In the revised scheme of Gazetted Staff proposed by the Conservator provision is made for three working plan officers and for one leave reserve, who will be made use of for helping the Mysore District Forest Officer after the two Divisions in Mysore are combined. The Committee does not think that the continuance of the third working plan officer, who is now on a temporary basis, and whose period has expired, is necessary. A number of forest areas for which working plans have already been prepared are reported to be still unexploited and old working plans might require revision in the light of experience gained in working the forests. For some time to come two officers seem adequate to cope with this branch of the work. The Committee does not also support the Conservator's proposal for having a leave reserve, who should be cut out.

67. The revised cadre of the Forest Department controlling staff under the Conservator will according to the Committee's recommendations stand as under :—

Present strength	Proposed strength	Distribution
Permanent.	2 Deputy Conservators ..	10 For divisions *i.e.*, (8 for dists.
4 Deputy Conservators ..	8 Assistant do ..	1 for Bhadravati and 1 for
8 Assistant do ..	9 Sub-Asst. do ..	Sagar).
6 Sub-Assiatant do ..	—	2 Working Plan Officers.
3 Specialists	19	4 Range Officers for Bhadra-
—	—	vati.
21		2 Sandal Valuation Survey.
Temporary.		1 Forest Survey.
2 Assistant Conservators ..		—
5 Sub-Assistant do ..		19
—		
7		
Total 28 Officers of whom 2 Deputy Conservators are already abolished The posts of the 3 specialists have been kept vacant.		

68. The grants for travelling allowances, contingencies and other charges should be curtailed in view of the reductions in the number of Divisions and the Gazetted Staff. The savings on this item may be estimated at Rs. 2,600.

69. As regards 'Conservancy and works,' the Committee is of opinion that the annual grants therefor are susceptible of reduction. No new building should be allowed to be constructed for some time. The grant for communications and buildings may be fixed at Rs. 30,000 instead of Rs. 45,000 as in the current year. For demarcation, fire protection, etc., the budget of this year provides for a grant of one lakh. The Committee considers that an allotment of Rs. 80,000 is sufficient and a saving of Rs. 20,000 can be effected under this head by careful supervision of expenditure. The provision of Rs. 2,000 allowed for Kumri cultivation may be deleted as being an unnecessary charge on general revenues.

70. The Conservator has suggested certain measures for immediately improving the revenue of his department, and the Committee's recommendations in this connection are detailed in Part V.

ABSTRACT OF SAVINGS.

1.	*Conservancy and Works.*—	
	Present grant	7,16,000
	Proposed	6,79,000
	Savings	37,000
2.	*Establishment.*—	
	Abolition of 2 Divisions	17,500
	Cutting out the provision for the 3rd Working Plan Officer (200) and the Leave Reserve (250).	5,400
	Peons	540
	Deletion of the provision for 3 Specialists	16,860
	Establishment of the Forest Economist..	1,596
	..	41,896
3.	Abolision of Forest School	8,500
4.	Savings under Travelling Allowance and Contingencies	2,604
	Total	90,000

Resolution No. 18.—EXCISE DEPARTMENT.

71. The reductions in the Excise Department as shown in the appended list (*vide* page 20) are recommended with the concurrence of the Excise Commissioner. Mr. Chandy wanted that a sum of about Rs. 12,000 out of these savings be set apart for improving the pay and prospects of certain staff who were not benefited by the last reorganisation. The Committee cannot support this proposal. No special treatment can be shown in appropriating a portion of the amounts saved as a result of retrenchment measures, for improving the pay of the establishment of any department.

72. The Committee is of opinion that the Excise Intelligence Bureau which is costing Rs. 3,168 per annum in pay (besides expenditure on travelling allowance, etc.) may also be abolished. Mr. Chandy is not agreeable to this proposal. He states that similar establishments are employed in British Provinces and recommends the retention of the staff in Mysore. This is a new establishment and the District Excise Staff should be able to do the work. Mr. Balasundaram Iyer dissents from this view.

73. The three Excise Probationary Inspectors should be abolished as already ordered by Government.

74. The question of abolishing the posts of four District Excise Officers in the non-separation Districts of Tumkur, Chitaldrug, Kolar and Hassan by entrusting Excise work to Revenue Sub-Division Officers or Police Superintendents is under the consideration of the Committee. Final recommendations in this matter will be submitted in due course.

Abstract of Savings.

1. *Superintendents*—		Pay	
Excise Intelligence Bureau		3,168 T.A. 832	
2. *District Executive Staff.*—			
Establishment		26,672	* *Vide* details *infra.*
Travelling allowances		1,328	
Total		28,000	
Grand Total ..		32,000	

List of reduction in the District Executive Establishments appended to para 71	Annual savings	Remarks
Headquarter Inspectors of Excise attached to Deputy Commissioner's Office at Bangalore, Mysore, Shimoga and Kadur, taking average pay (80+20 horse allowance) Pay of 4 Inspectors, 4×100×12	4,800	
Reduction of Excise Ranges in the State. Two in Tumkur District and one Range in each of the Districts of Bangalore, Kadur, Mysore, Kolar, Shimoga * and Hassan 8×100×12.	9,600	*Mr. Chandy was agreeable to the abolition of a Range in the Shimoga District when he was examined by the Committee on 18th March 1922. Having consulted the Deputy Commissioner, Shimoga, he has expressed the view that the reduction of a Range in that District is not feasible. The original proposal may stand.
Abolition of the posts of 6 Assistant Inspectors. One in Government Central Distillary 2 each in Bangalore and Kolar and 1 in Tumkur District. 6 (25×10) ×12.	2,520	
Reducing the number of Petrol Sub-Inspectors by 15. 15 (20×12)	3,680	
Abolishing 7 Range Office Clerks. 7 (20)×12	1,680	
Abolishing 3 *Special Shroffs.* (30), 2 (25) L. A. 2×12	984	
Abolishing 2 *clerks in the Excise Commissioner's Office.* 2 (30)×12	720	
Abolishing 19 *peons.* 19 (10)×12	2,280	
Savings under Range and Sub-Range. 8 (3), 5 (2)×12	408	
Total ..	26,672	

Resolution No. 19.—Stationery and Printing.

75. In consultation with the Superintendent, Government Stationery and Printing, the Committee recommends the adoption of the following measures of retrenchment and economy resulting in a saving of about Rs. 50,000 as compared with the current year's budget.

76. *Stationery Depot.*—(1) The Superintendent may be permitted to inspect immediately the stock of paper, forms, registers and stationery in all Government Offices with a view to get an idea of the quantities of these articles now lying unused in the various offices. The Superintendent expects that they will enable him to effect a net saving of about half-a-lakh of rupees in the present level of cost of paper and stationery.

(2) The arrangements for supplying stationery articles to taluks from the Government Depot may be abolished, resulting in a reduction of the grant for the

Karnataka State Archives,
(Departmental Library)
Accession No.....

department by about Rs. 15,000. The level of the contingent grants of taluks is high enough and it should be possible for them to purchase the necessary supplies of stationery articles out of their existing grants.

(3) Credit for the value of stationery supplied and printing work done for the Mysore University, the Railway Department and the Insurance Office in excess of the current year's budget of receipts should be given to the Stationery Department and the cost of supply incurred by the department set off against such credit.

(4) Taking the above proposals into consideration, the net grant for paper and stationery may be fixed at Rs. 1,75,000 against 2 lakhs in the current year's budget. The actual expenditure this year is reported to exceed 3 lakhs so that the saving will be really 1¼ lakhs.

77 *Printing Office.*—The Gazetted Staff consists of one Superintendent, two Assistant Superintendents, one Sub-Assistent Superintendent and one Probationer. The appointment of Sub-Assistant Superintendent is vacant. The Committee considers that the Probationer may go. But Mr. Ramachandra Mudaliar urged the retention of the Probationer.

78. The suggestions of the Superintendent for reducing printing work in the Government Press as in the list attached are suitable, and they are calculated to result in a saving of Rs. 25,000 in the next year and of additional Rs. 25.000 in the subsequent years. The Committee accordingly recommends their adoption.

LIST OF REDUCTIONS IN PRINTING WORK.

1. Consequent on the issue of G. O. No. M. 522-87—P. & S. 6-20-72, dated the 2nd August 1921, prohibiting the execution of Government works at private presses, all the departmental publications of the Education Department are being done at the Government Press. They may hereafter be transferred to private presses on condition that such presses will execute the works at the scheduled rates of the Government Press, so as not to cause any loss to Government.

The work of printing question papers of the High Schools at Bangalore and Mysore which is reported to have recently been ordered to be done at the Government Press may be issued to private presses for execution as heretofore.

2. *Reduction of the matter in the Gazette.*—(i) Municipal Voters' lists need not be published in the Gazette. It would be sufficient if the required number of spare copies are printed and supplied to the Municipality. Work may preferably be got done in private presses.

(ii) Representative Assembly Voters' lists need not be published in the Gazette. They may be separately printed and supplied to the Secretariat and the Deputy Commissioners.

(iii) Food Grains Prices Statements—Weekly and Fortnightly—need not be published in the Gazette, only spare copies being printed and supplied to the Revenue Commissioner for distribution, if necessary.

(iv) Municipal Taluk Bye-laws which are coming in large number, need not be published in the Gazette.

(v) Statistics of Rail-borne Trade, may be omitted from the Gazette and spare copies printed and supplied to the Director of Commerce, if necessary.

(vi) Notices of forest boundaries may be omitted from the Gazette, but copies printed and supplied to the Forest Conservator.

(vii) The publication in the Gazette of statements of lands available for cultivation in various districts may be discontinued and spare copies of the statements supplied only to the Revenue Commissioner or Deputy Commissioners of Districts concerned.

3. (viii) *English Works—General.*—The Civil List may be issued half-yearly instead of quarterly and reduced to about half the size, *i.e.*, 100 pages.

(ix) The Blue Book Journal may be abolished. Important orders may go into the Gazette, for general information.

(x) The printing of Gradation Lists of all departments may be dispensed with, as at present they are never up-to-date and serve no useful purpose, being belated.

(xi) The printing of General and Revenue Secretariat standardised docket and letter forms which are now being printed in large numbers may be dispensed with.

(xii) The printing of the very large number (in lakhs) of covers of various kinds for the several branches of the Secretariat may be dispensed with.

(xiii) The printing of History of Services of Gazetted Officers may be abolished

(xiv) The printing of History of Services of Amildars may be dispensed with.

NOTE.—The Superintendent further suggests that (*a*) Weekly Proceedings Volumes may be rebound to form the Monthly Proceedings Volumes and issued and the printing of the Monthly Proceedings separately, abolished altogether; (*b*) That the Voluminous index to the Monthly Volumes may be dispensed with, as the contents will serve the purpose of reference and (*c*) that the printing of lists of File Headings, Index to the File Headings, "A" Collections and Consolidated Index to the General Records, of the various sections and Branches of Secretariat may also be dispensed with. This question may be taken up by the Efficiency Audit Officer. One of the two publications may in the Committee's opinion be discontinued and all unnecessary matter eliminated.

4. *Kannada Works.*—(xv) The printing of Toddy Schedules may be reduced by supplying copies of such portions only as relate to the districts concerned.

NOTE :—The Suprintendent proposes the discontinuance of the printing of Kannada Budget; but this proposal does not commend itself to the Committee.

Resolution No. 20.—POLICE DEPARTMENT.

79. In concurrence with the Inspector-General of Police, the Committee recommends the following reductions in the Police Department:—

(1) *Superintendence*—Saving of rent charges of Rs.2,280 per annum by locating the office of the Inspector-General of Police in Government quarters set free by the abolition of the Police Training School and taking a few rooms in Tippu Sultan's Palace.

(2) Closing the Police Training School, and disbanding the entire staff except shorthand instructor and an instructor in photography. Savings Rs. 24,000 per annum.

(3) Abolition of all the District Reserves retaining the Sub-Inspectors (3 in each district) for clerical work for the introduction of the Disposal Number System, and 108 constables to serve as orderlies to Deputy Commissioners, Assistant Commissioners and Police Superintendents, pending consideration of the question of home orderlies to all Goverment officers. Savings Rs 59,000 per annum.

As regards the retention of the Sub-Inspectors, Mr. Subramanya Iyer stated in the course of his examination that the arrangement would be temporary and that he might be able to dispense with their services after a year. As it is proposed to adopt suitable measures for effecting changes in methods of work, so as to minimise correspondence in all offices, and thereby reduce clerical establishment, the Committee is not convinced that the Sub-Inspectors of the District Reserve should be kept on for office work as suggested by the Inspector-General of Police. These posts should also be abolished, resulting in a further saving of about Rs 12,000 per annum.

The grant under 'Travelling Allowance' of the Police Force may be reduced by about Rs. 5,000.

(4) Abolition of the two Assistant Superintendents of Police at Davangere and Sagar, with their establishments, etc. Saving Rs. 7,000 per annum.

There are 7 Assistant Superintendents at present, distributed as in the margin. The Inspector-General of Police wants to retain four Assistants and abolish the rest. He admits that the Office Assistant to the Inspector-General of Police could well look after the Railway Police and Criminal Intelligence Department work, but the retention of an Assistant Superintendent of Police for the latter charge is urged with a view to afford an easy flow of promotion to the Inspectors and keep up departmental efficiency. This is not a sufficient reason for continuing the extra appointment, which may also be abolished. The saving will be Rs. 2,400 per annum in pay, besides travelling allowance.

1 for Police Training School.
1 for Railway Police and C. I. D.
1 each at Bangalore, Mysore, Channapatna, Davangere and Sagar.

(5) Under Malnad and Ghat Station batta, a sum of Rs. 5,000 may be withdrawn out of Rs. 22,641.

(6) In the Kolar Gold Field Police Force the number of Inspectors 9 is unduly large. Six Inspectors might be abolished as a first instalment of reduction. It should be possible to manage with Sub-Inspectors as Station House Officers and do away with Inspectors altogether. This proposal will result in a saving of Rs. 5,000.

(7) In the result, the total saving in the Police Department according to the above proposals will be about Rs. 1,22,000 per annum besides Rs. 21,653 the reduction of which has already been sanctioned, out of a total budget grant of 15¾ lakhs.

Resolution No. 21.—INDUSTRIES AND COMMERCE DEPARTMENT.

80. The Committee after inspecting the Central Industrial Workshop, the Art Workshop, the Soap Factory, the Weaving Factory and the Arts and Crafts Depot examined Mr. D'Souza and officers under him with reference to the proposals for reorganisation of the department submitted by the Director and the future of the above-named institutions.

The Committee attaches great importance to the value of industrial training as a factor in the development of the economical condition of the people and would wish to continue the institutions started by Government for this purpose if they are really needed and useful. After looking into the working of the factories and discussing details with the Director and his staff, the Committee has come to the following conclusions:—

81. *The Central Industrial Workshop*—

	Rs.	
Fixed capital as on 30-6-1921	2,82,000	
Working capital, goods and outstandings ..	3,27,000	
Manufactured goods on hand	43,000	* A good portion of these is stated to be non-saleable.
Work in process	1,17,000	
Outstanding from Government Depts	81,000	
„ Private Parties	32,000	
Total ..	1,13,000	
Total loss up to date according to audited balance sheets	1,15,000	
Anticipated loss in current year	30,000	
Total ..	1,45,000	

The workshop has been financed by Government on a lavish scale, but the above figures show that the working has been far from satisfactory. Several causes have contributed to this result. It is over-capitalised for an undertaking of this kind. The manufactures have been carried on without regard to the saleability or demand for goods produced. The business side of the factory discloses bad management. Outstandings are heavy. The workshop on the whole is run at a considerable loss to the State. The Committee would have recommended its abolition but for the fact that it is the only workshop of the kind in the State and useful to some extent to the public as well as to Government Departments. It should, however, be noted that as long as such a workshop with Government funds at its back exists, there will be no incentive to private enterprise to start a similar concern. If it is to be continued, it should be on the following conditions:—

(i) The capital cost should be revalued at the present market value by experts.

(ii) Goods on hand should be similarly valued, all useless goods being sold off to best advantage.

(iii) All outstandings should be immediately collected.

(iv) No new capital should be invested by Government: the proceeds of the sale of superfluous machinery or goods on hand may be utilised for this purpose.

(v) All Government Departments should be required to send their work to this shop. Orders from the public may be taken in such a way as not to compete with private enterprise and no orders received which could be attended to equally well in local shops.

(vi) The Director has undertaken to see that the workshop is worked on a self-supporting basis, paying interest on revised capital and meeting depreciation charges. If this result is not attained in the next two half-years, the workshop may be closed down.

The workshop may be handed over to private management as soon as reasonable offers are forthcoming.

82. *Soap Factory.*—According to the Director, this concern is expected to yield a profit of about Rs. 19,000 in the current year. His proposals for transferring it to a private company are understood to be under the consideration of Government. The expansion of the Soap Factory will require a large additional capital of 4 to 5 lakhs. The Committee considers that this concern has proved a success, thanks to Mr. Sastry and that it may be handed over to private management as soon as the transfer can be effected with advantage to Government.

83. *Art Workshop.*—Some really good art work is turned out in this shop and much has been done to improve the designs.

Capital cost is	Rs. 29,000
Working capital including stock from Central Industrial Stores	„ 77,000

A sum of Rs. 10,000 is outstanding for which there is no excuse. The concern is worked at a loss, the total loss to date being Rs. 28,000 and the loss for last half year Rs. 7,900. To run the shop successfully the Director wants additional machinery worth Rs. 20,000. The Committee sees no good grounds for continuing this shop under Government management at a great loss and accordingly recommends that it may be closed or made over to private enterprise.

84. *Weaving Factory.*—Weaving is a prime source of occupation to a large population in the State. The Committee would wish to encourage an institution that would foster this industry. In this view they would recommend that the Weaving Factory be continued but on a reduced scale. Its working must be considerably improved and all unnecessary work lopped off, if it is to serve a really useful purpose. At present it is run on an uneconomical basis without regard to cost and any hope of remunerative return. The cloths manufactured are not of the proper kind nor in popular demand. The fixed capital is Rs. 65,000 and working capital Rs. 18,000. The goods on hand (18th March 1922) are valued at the comparatively large figure of Rs. 80,000. A sum of Rs. 35,000 is said to be outstanding in Commercial Section, (Rs. 10,000 for more than a year and Rs. 25,000 for more than 6 months) and another sum of Rs. 3,095 in Demonstration Section. The total loss in working so far as per last audited balance sheet amounts to Rs. 8,769.

All this shows bad mangement. So much of the factory as serves purposes of demonstration and instruction should be kept up and the commercial side reduced to what is absolutely necessary and made self-supporting, paying interest on capital.

The transactions under capital and revenue should all be brought on the revenue budget. Every effort should be made to dispose of the existing large stock some of which is on hand for a long time and to reduce the outstandings which are heavy. The Commercial Section should not be expanded so as to compete with indigenous weaving.

The Committee understands that it is proposed to remove the Weaving Factory to a site adjoining the Industrial Workshop. It is desirable to locate the factory in a central place in the City so that the weaving population may take advantage of it. Particular attention should be paid for the development of the Demonstration and Training Sections.

85. *The Arts and Crafts Depot.*—This is a useful institution, mainly intended to encourage cottage industries in the State, by giving them improved designs and by finding a market for art goods produced in the State. Goods from Travancore, Vizagapatam and other parts of India are also exposed for sale here. The working capital is Rs. 50,000, and the Depot is run on a small loss of Rs. 1,000 a year. The value of the goods on hand is reported to be Rs. 65,000; a sum of Rs. 2,400 is outstanding. The depot is located in a rented building in the Civil and Military Station. The rent of Rs. 150 may be saved if the Depot is removed to the Museum building.

Government incur a serious financial responsibility in the event of fire or burglary or theft of goods placed in this building, the value of which runs to Rs. 65,000, with a solitary watchman at night.

The Manager of the Depot should be a man conversant with art designs and drawings, and able to give useful advice and suggestions to those dealing in art work.

86. As regards private concerns such as Thirthahalli Tile Factory, the Aryan Hosiery, Art Litho Press, etc., to which large loans have been made by Government, the Committee is of opinion that every endeavour should be made to recover the amount advanced as early as possible and that Government should disengage themselves rom such concerns.

87. The total amount of Hire-Purchase and Taccavi Loans issued by the Department to end of February 1922 is about Rs. 7,74,000 of which Rs. 3,84,000 have been recovered so far and an amount of Rs. 3,90,000, is outstanding. The Committee considers that in future the annual grant for the Industrial and Taccavi Loans should be limited to amounts well within the actual recoveries made by the Department in the year. No new grants need be allowed in the budget.

88. Now coming to the departmental staff and the minimum grant required for the Department of Industries and Commerce, Mr. D'Souza's original proposals submitted to Government with his D. O. of 25th January 1922 involved an expenditure of Rs. 1,75,000 as against the current year's budget grant of Rs. 1,87,500. As the result of further discussion and cutting down, Mr. D'Souza has agreed to the following modifications :—

(i) To reduce the Gazetted Staff from 12 to 10 and to have only two Superintendents of Industries in place of four originally proposed by him.

(ii) To have four Mechanics in lieu of eight men for peripatetic work.

(iii) To reduce by Rs. 200 per mensem the cost of clerical establishment.

(iv) To abolish the Commercial and Industrial Museum.

(v) To substantially reduce grants for contingencies and other fluctuating items and for experimental Industries.

As the result of these reductions, it is found that the grant of Rs. 1,75,000 asked for by Mr. D'Souza will stand reduced to Rs. 1,13,000.

89. The Committee is of opinion that the above revised proposals are suitable on the whole and may be approved with the following further modifications :—

In view of the restricted grant that can be placed at the disposal of the Department, the Director of Industries and Commerce will not have sufficient work and he should be given the work of some other department in addition, to keep him fully engaged.

(ii) For the same reason the post of Personal Assistant to the Director is not necessary and may be abolished.

(iii) No increase of pay over the existing rate need be given to any member of the Gazetted staff.

(iv) The post of Technical Assistant to the Inspector-General of Education, when transferred to the Department of Industries and Commerce along with the control of technical Education, will carry the same pay as at present.

(v) The *new* Superintendent, Industrial and Commercial Intelligence, may be given the fixed pay of Rs. 250 in lieu of the progressive rate of pay proposed by Mr. D'Souza.

(vi) A grant not exceeding Rs. 10,000 may be given for experimental industries out of the profits earned by concerns under the management of the Director.

90. The above retrenchment and economies will bring down the total cost of reorganisation to Rupees One Lakh as against the budget grant of Rs. 1,87,500.

Resolution No. 22.—PUBLIC WORKS DEPARTMENT BUDGET.

91. The Chief Engineer was examined on the 4th April and what he considered his minimum requirements having been intimated to the Committee on the 14th idem, the budget of the Public Works Department was considered in detail and the following resolution was passed :—

The grant originally asked by the Chief Engineer for the next year is 30 lakhs besides an amount of 1 lakh for the Bhadra Anicut and Channels. This demand has since been reduced by him to 24.98 lakhs as the result of discussion with the Committee on the 4th April.

92. After a full consideration of the revised demand of the Chief Engineer, the Committee has come to the conclusion that it is not possible to allot a larger amount than 17 lakhs during the next year from the State Funds.

93. The Committee has given its anxious attention to this important matter. It has considered the relative importance of the several classes of public works in relation to the straitened resources and which of the works could or should wait until better times. It may be taken for granted that in times of exceeding financial stringency like the present, all expenditure of an optional and avoidable kind should be brought under retrenchment and in this view the outlay on public works should be strictly limited to the barest minimum. Works of "public improvement" however desirable in themselves should be treated as luxuries and wait for times of financial affluence. The items of work having a direct bearing on the immediate welfare of the people and which could not be postponed without detriment to public interests deserve the first attention. Irrigation works and repairs and maintenance of roads and buildings have been given the bulk of the allotment that can be made available. The Committee wishes that all liabilities already contracted should be discharged before the 30th June 1922 and no claims held over for next year. The Committee is aware that the allotments proposed now are inadequate in the case of many incomplete works entailing inconvenience in their execution. But after careful consideration it regrets that it does not see its way to suggest larger grants.

94. The requirements of the Department and the grants recommended by the Committee under the several heads are shown in the subjoined statement.

Items	Proposed by the Department			Recommended by the Committee
	Irrigation Works	Civil Works	Total	
	Rs.	Rs.	Rs.	Rs.
1. Outlay on Original Works	2,18,500	5,11,500	7,30,000	3,52,000
2. Repairs and Maintenance	1,35,000	8,75,000	10,10,000	8,77,000
3. Tools and Plant and Suspense	6,000	30,000	36,000	21,000
4. Establishment including T. A. and Contingencies.	1,12,000	6,10,000	7,22,000	4,50,000
Total ..	4,71,500	20,26,500	24,98,000	17,00,000

Original Works.—The grants proposed by the Chief Engineer for Irrigation Works are necessary and may be allowed. As regards Civil Works, the Committee considers that the provision wanted by the Chief Engineer, *viz.*, Rs. 5,11,500 is capable of considerable reduction. It is feared that it would not be possible to allot more than Rs. 1,33,500 under this head, *viz.*, 1 lakh for Civil buildings, 3,500 for communications, 10,000 for Miscellaneous Public Improvements and 20,000 for Minor Works. (*vide* list attached page 29.)

Repairs and Maintenance.—The following reductions may be made in the demands under this head.

Civil Buildings.—Rs. 1¼ lakhs may be allowed against 1½ lakhs asked for. The current year's grant is only 1 lakh.

Communications.—The budget for this year provided for Rs. 5,22,000 and this may be repeated for the next year. The increase of Rs. 18,000 proposed by the Chief Engineer may be disallowed.

Miscellaneous Public Improvements.—The Chief Engineer wants Rs. 1,60,000. This represents the extra charge to be borne by State Funds on account of the Chamarajendra and Vani Vilas Water Works over and above the contributions received from the City Municipalities of Bangalore and Mysore. Mr. Cadambi is of opinion that if this expenditure be met out of the funds of the said two Municipalities, the State Budget will be relieved to this extent. The Committee considers that as a first instalment the two Municipalities may be required to bear one half of the additional charges *viz.*, Rs. 1,60,000/2 or Rs. 80,000 only and provision of an equal amount will have to be made in the State Budget for the next year under this head.

For repairs of Civil buildings and Travellers Bungalows in charge of Civil Officers, the grant asked for is Rs. 25,000. This may be reduced to Rs. 15,000.

According to the above alterations, the total grant for repairs and maintenance would stand reduced from Rs. 10,10,000 to 8,77,000.

95. Turning to Establishment, the grant for which should mainly depend on the works outlay, it will be seen that the total grant for works and repairs from the Revenue Budget for the next year will be about 12½ lakhs. Adding another sum of 12½ lakhs, which roughly represents the aggregate expenditure on the State's Capital Works and on works financed from District and other Local Funds, for spending which the Public Works Department staff is responsible, the total works grant with reference to which the establishment has to be fixed may be taken at 25 lakhs. This will be the level of expenditure for some years to come. Allowing 25 per cent which is a liberal provision, Rs. 6¼ lakhs may be allotted for establishment (including travelling allowance and contingencies). On the basis of the current year's budget about 2 lakhs will represent the share chargeable to other heads than the Public Works Department proper, which latter will have to bear the balance of 4¼ lakhs. With a margin of ¼ lakh, the net grant for establishment of the Public Works Department for next year including travelling allowance and contingencies may be taken at 4½ lakhs. The provision for this purpose in the current year is 6¼ lakhs, *i.e.*, Rs. 2,08,000 under 23 Irrigation Works plus 4,17,000 under 24 Civil Works. If account be taken of the proposed abolition of the Circles of Superintendence, the absorption of the Maramat establishment in the regular Public Works Department, and of other measures of economy recommended by the Committee in the next paragraph, it will be seen that the grant of 4½ lakhs proposed for establishment charges during the next year is reasonable and sufficient. The Committee has already suggested the abolition of the establishment and abandonment of Travellers Bungalows at certain places not much frequented by the public, such as Yelahanka, Bidadi, etc., and the reduction of the grants for Hill Stations by Rs. 5,000. These savings will accrue to the credit of the Public Works Department.

96. *Reorganisation of the Public Works Department.*—The Secretariat file regarding the revision of the Public Works Department, which had been specifically referred to the Committee was considered and the two sets of schemes regarding the higher appointments in the department, discussed. The views and recommendations of the Committee on this subject are as follows :—

A. Direction.—Chief Engineer's Office.—There may be 1 Chief Engineer as at present in charge of both Roads and Buildings and Irrigation Works. He should also be the ex-officio Secretary to Government in the Public Works Department. His pay may be fixed at Rs. 1,400 per mensem. For assisting him in the office and inspection duties, there may be a Deputy Chief Engineer and Ex-officio Under Secretary to Government on pay of Rs. 1,000 per mensem with no allowance. An office Assistant of the grade of Assistant Engineer may be given as both the Chief and his Deputy are touring officers. The question of attaching a duty allownace of Rs. 50 to the Office Assistant will be considered in connection with the general scheme of granting such allowance to holders of appointments of similar rank and status in other departments at Headquarters.

B. Superintending Engineers.—The Committee is of opinion that all the Circles of Superintendence may be abolished. By effecting decentralisation and devolution of powers to the Executive Engineers, the Chief Engineer will be relieved of much of the routine work and be able to devote adequate attention to inspection and other work with the assistance of the Senior Officer at Headquarters. This measure of economy will result in a considerable saving of expenditure, *viz.*, Rs. about 49,000 per annum.

C. Construction.—The Committee considers that ten Executive Engineers are sufficient for the whole State in the present condition of things, one for each of the Districts, one for the combined Water-supply and Sanitary Divisions and one for Krishnarajasagara Water Works. The Water-supply and Sanitary Divisions may well be combined and placed under one officer, as the grants that can be allotted for either of them singly will not justfy their continuance as two separate divisional charges. The separate Channel Divisions temporarily created in the Krishnarajasagara Circle may be abolished. Though some of the District Executive Engineers, *e.g.*, those at Kolar and Chitaldrug have not got sufficient work to keep them fully engaged, any reduction in their number is not proposed as it would involve a change in the established machinery of district administration.

The pay of the officers of the Executive Engineer's grade may remain as at present *viz.*, 500—25—850. The proposal to raise the annual increment from Rs. 25 to Rs. 35 cannot be supported. The Committee wishes to emphasise the view that it is undesirable to contemplate improvement in the scale of salaries of the officers of any department in this time of financial stress, and that therefore no increase over the present rates of pay can be given to the Engineers on this occasion.

The maximum pay of the Assistant Engineers may remain at Rs. 400 as heretofore, and the grade of Sub-Assistants need not be abolished with a view to increase the number of Assistant Engineers. It is the opinion of the Committee that all possible reductions in the number of officers in both these grades as well as in the Upper and Lower Subordinate Service should be effected, so as to keep the total annual cost on salaries, travelling allowances and contingencies within the limit of $6\frac{1}{4}$ lakhs as recommended in para 95 *supra*.

Considerable economies in the clerical and menial staffs of the Public Works Department are also possible, as part of the general scheme of retrenchment affecting all offices in the State, firstly by reducing correspondence and simplifying clerical work and secondly by revising the system of giving home orderlies to officers. These two general questions are receiving separate attention.

The Committee agrees to the proposals to absorb the entire Maramat Establishment in the regular Public Works Department and of transferring the minor tank restoration work from the Revenue Commissioner to the Chief Engineer. This measure of reform is expected to result in an appreciable saving to Government.

LIST OF ORIGINAL WORKS FOR WHICH ALLOTMENTS ARE PROPOSED BY THE COMMITTEE FOR THE NEXT YEAR—(*vide* para 94).

I. *Civil Buildings:*—

ADMINISTRATION.

		Rs.
1	Additional block adjoining the District Office Building at Bangalore	5,000
2	Improving Taluk Cutcherry, Goribidnur (Kolar)..	2,000
3	Bonded Warehouse and Sub Registrar's Office (Hassan)	2,000

EDUCATIONAL.

4	Anglo-Vernacular School at Turuvekere (Tumkur)	3,000
5	Do Pavagada do	1,500
6	Do Holenarsipur (Hassan)	1,500
7	Do Arkalgud do	3,500

POLICE.

8	Police Lines, Sivaganga (Bangalore)	500
9	Out Patients' Dispensary, Victoria Hospital, Bangalore	3,000
10	Out Patients' Dispensary, Minto Ophthalmic Hospital, Bangalore..	3,000
11	Operation Theatre, Maternity Hospital, Bangalore	1,000
12	Dispensary at Pathapalya (Kolar)	1,500
13	Local Fund Dispensary with In-Patients' Ward, Chellakere (Chitaldrug)	500

MYSORE SPECIAL.

14	New Guests' Mansion at Mysore	50,000
15	Office Block to the New Palace, Mysore	4,000
16	Constructing South Gate of Fort, Mysore	5,000
17	Other urgent works	13,000
	TOTAL ..	1,00,000

II. *Communications:*—

		Rs.
1	Deviating Madras-Cannanore Road (Bangalore)	500
2	Reconstructing washed-out culvert in 3—162 of Salem-Bellary Road (Chitaldrug)	1,000
3	Improving Bagavalli Bridge in miles 3 & 4—23 of Shimoga-Bellary Road (Shimoga)	500
4	Chikmagalur-Tarikere Road (Kadur)	500
5	Other urgent works	1,000
	Total Communications ..	3,500

III. *Miscellaneous Public Improvements :*—

SANITARY.

		Rs.
1	Drainage Improvement to Old Town of Shimoga	2,000

WATER-SUPPLY.

2	Cost of Cast Iron Pipes to be kept in reserve for temporary bursts in the existing main, Soldevanhalli Pumping Station	7,000
3	Other Items	1,000
	Total Miscellaneous Public Improvements ..	10,000

ABSTRACT.

		Rs.
1	Civil Buildings	1,00,000
2	Communications	3,500
3	Miscellaneous Public Improvements	10,000
4	Minor Works	20,000
	Total ..	1,33,500

Resolution No. 23.—MEDICAL DEPARTMENT.

97. The Senior Surgeon is in favour of amalgamation of the Sanitary Department with the Medical and the abolition of the post of a whole time Sanitary Commissioner and the District Health Officers as already recommended by the Committee. No allowances need in future be given to District Medical Officers for doing Sanitary Work.

98. The Committee has already recommended that in regard to the maintenance of local Fund Dispensaries, the Local bodies concerned should be required to pay a moiety of the charges incurred by Government towards salaries of Sub-Assistant Surgeons and supply of Europe medicines.

99. The Committee has discussed details with the Senior Surgeon and recommends the following retrenchments:—

(i) *Palace Medical Staff:*—There are two Surgeons in the Palace Dispensary. The Committee agreeing with the Senior Surgeon considers that one of the officers may be withdrawn. These Officers are given several kinds of allowances, Local, Duty and Conveyance allowances. Only the Conveyance allowance may be retained and the rest cut out. The establishment contains two Sub-Assistant Surgeons of whom one seems superfluous and may be reduced.

(ii) The post of the Medical Officer on the Headquarter establishment may be abolished as, in the opinion of the Committee, a permanent medical man to look after that establishment is not necessary. Whenever the Dewan goes on tour, the Senior Surgeon may depute an officer for the time being. Dr. Mylvaganam is agreeable to this proposal.

(iii) The Senior Surgeon's proposal to place the District Medical Officers at Bangalore and Mysore in charge of the respective Epidemic Diseases Hospitals and to abolish the separate Assistant Surgeon may be approved.

(iv) According to the sanctioned cadre, the posts of 8 District Medical Officers and of Specialist in the Victoria Hospital are counted as Surgeons' charges. The Senior Surgeon does not consider that an officer of the Surgeon's grade besides the Medical Officer is necessary for the Victoria Hospital.

Five Assistant Surgeons are doing duty as District Medical Officers and a number of Surgeons are holding the charges allotted for officers of the lower grade. The Committee recommends that as a measure of economy the number of Surgeons may be reduced from 16 to 14 as against the two posts proposed to be abolished in paras (i) and (ii) *supra*. The Senior Surgeon wishes to retain the strength of Surgeons intact with a view to afford easy flow of promotion to the officers of the lower grade. The Committee does not concur in this view.

(v) Dr. Mylvaganam is of opinion that, in view of a separate cadre with scales of pay having been sanctioned for Lady Medical Officers, the sex allowance granted to the highly paid among them is unnecessary and may be cut out. The Committee agrees in this view. The sex allowance need not be given to any class of women doctors, whether of the superior or subordinate grades.

(vi) The Senior Surgeon proposes that the system of giving scholarships in the Medical School may be gradually done away with, as private students are freely seeking admission into the school. The Committee accepts the suggestion and recommends that no new scholarships need be given in future. The present rates of allowances for the Lecturers (Rs. 75) and Demonstrators (Rs. 50) are considered high and may be reduced as before to Rs. 50 and 30 per mensem respectively.

(vii) The Committee suggests that the X-ray allowance of Rs. 50 now given to two Surgeons, one at the Victoria Hospital and the other at the Krishnarajendra Hospital, may be cut out.

(viii) The Senior Surgeon states that no grants are given to the marginally noted institutions and that the provision made therefor in the current year's budget may be deleted. The Committee also understands from him that the Lady in charge of the private Settihalli Dispensary (Hassan District) is not a properly qualified Medical Practitioner. But the grant of Rs. 600 per annum is being continued, on the ground that the Dispensary is serving a fairly large number of people and would have to be closed if the Government help were withdrawn. This is not sufficient justification for the continuance of the grant. The Committee is of opinion that it should cease.

Kalasa Medical Fund	..	960.
Mission Hospital, Channapatna	..	180.
Mrs. Slater's Hospital	..	360.

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Sanction for the grant of Rs. 2,400 per annum to the Koppa Medical Fund is due to expire on 1st August 1922. This grant is reported to have been originally sanctioned in 1899 on the ground that the Indian Medical Subordinates stationed at Koppa and Sollebile were not competent to cope with the medical needs of the Planters and their families and that the North Mysore Planters' Association was in need of aid to maintain a European Doctor. Conditions have now changed. The Senior Surgeon considers that the grant should be withdrawn, as the Planters' Association have had the Government help for a long time and should be asked to make their own arrangements in future. The Committee strongly supports the Senior Surgeon's proposal.

(ix) Dr. Mylvaganam suggests that as the Ayurvedic College at Mysore is not doing any useful work, it may be closed. This proposal does not, however, commend itself to the Committee. The Institution may be developed when sufficient funds can be spared for the purpose.

(x) The Committee recommends that no Duty Allowance should be given to any Medical Officer who is permitted to take up private practice.

(xi) The financial effect of the foregoing recommendations is a saving of about Rs. 36,000 per annum as per particulars furnished below:—

(*i*) Abolition of two Medical Officers, one in the Palace Medical Staff and one in the Headquarter establishment and reduction of the cadre of Surgeons by two.	
(550+40) × 12	7,080
(450+40) × 12	5,880
(*ii*) Cutting out the Local and Duty allowance of the 2nd Medical Officer in the Palace	1,200
(*iii*) Abolition of one Sub-Assistant Surgeon in the Palace Rs. 97 × 12.	1,114
(*iv*) Withdrawal of Assistant Surgeon in charge of the Epidemic Diseases Hospital, Bangalore	2,880
(*v*) Abolition of duty allowance for Sanitary work to D. M. Os. of Mysore and Bangalore	1,200
(*vi*) Abolition of sex allowance to Lady Medical Officers (2 × 50, 15 × 30, 5 × 10) × 12	7,200
(*vii*) Reduction in the grant of scholarships and scale of allowance of lecturers in the Medical School	4,400
(*viii*) Withdrawal of X-ray allowance to two Surgeons (50 × 2 × 12) ..	1,200
(*ix*) Withdrawal of grants-in-aid	3,900
TOTAL ..	36,054

Resolution No. 24.—JAILS DEPARTMENT.

100. Regarding economies in the Prisons Department, Dr. Mylvaganam's proposals are as follows:—

(*i*) Abolition of extra-mural labour resulting in a saving of about Rs. 5,000 per annum.
(*ii*) Cutting out meat-diet to prisoners; saving Rs. 3,300.
(*iii*) Diminishing certain ingredients of the condiments in the prisoners' diet; savings Rs. 1,400.
(*iv*) Improving Jail industries with equipped factories, modern appliances and appointing an expert to supervise the work.
(*v*) Early construction of a large Central Jail at Basavangudi in Bangalore and recouping its cost from the sale of the old Jail buildings and sites at Bangalore and Mysore.

101. The first three suggestions of the Inspector-General of Prisons may be approved. The income derived from the extra-mural labour is stated to be Rs. 600 per annum, while the cost of the establishment necessary for the guarding of the prisoners doing extra-mural labour comes to Rs. 5,760. The arrangement does not even pay its way. Suggestions (ii) and (iii) are based on the practice prevailing in the Madras Presidency and the same may be adopted here.

102. The Committee offers no opinion regarding the other proposals of the Inspector-General, *viz.*, Nos. (iv) and (v) which do not lead to any immediate economies.

Abstract of savings:—

	Rs.
(*i*) Abolition of extramural labour (5760—600)	5,100
(*ii*) Cutting out meat-diet and diminishing ingredients in condiments, etc.	4,700
TOTAL	9,800

Resolution No. 25.—THE RAILWAY BUDGET.

103. The Committee has examined the Authorisation Rolls for the next year and discussed them with Messrs. Dove Wilson, Dani and Lakshminarasimha Rao at some length.

104. The Committee has already recommended the limiting of capital expenditure on Mysore Railways to Rs. 15 lakhs by taking the renewal and replacement works in easier instalments. The Department wanted 17½ lakhs of rupees. On a similar basis the revenue expenditure on Mysore Railways will also be susceptible of reduction of about Rs. 1,50,000.

105. *Earnings.*—The goods traffic of the Railway is not adequately served, the receipts from this source being about 50 per cent of the coaching traffic. The proportion ought to be greater. The producers, merchants, banks and the Railway have all been prejudicially affected by the inadequate arrangements for carrying goods. The loss from this source to the country in general must be very heavy.

106. The total earnings are estimated by the Agent at Rs. 37 lakhs against the revised estimate of Rs. 30 lakhs for the current year. The large increase of revenue anticipated in the next year is due to the enhancement of the passenger rates by 25 per cent as in other railways in India. The Railway Auditor thinks that the Agent's estimate is too sanguine and he would put it at 34 lakhs. Taking all circumstances into consideration, the Committee is of opinion that it would not be safe to assume the earnings at a higher figure than 35 lakhs of rupees.

107. *Expenditure.*—The Committee is of opinion that the working expenses of the Railway are pitched on a high scale amounting to 31¾ lakhs of which 1½ lakhs are however proposed to be reduced in the expenditure on renewal of permanent way and that they call for a rigid exercise of economy in the several departments. The establishments are on a very liberal scale.

108. Taking the earnings at Rs. 35 lakhs and the revenue expenditure at Rs. 30¼ lakhs which is the reduced demand, the percentage of working expenses to gross earnings will be about 86.

109. It would entail a large demand on the time and labour of the Committee to make definite proposals for reduction based on a close examination of the work in each department, but the Committee has come to the conclusion that in comparison with other Railways our establishments and working expenses should be cut down so as to bear a reasonable proportion to the earnings and it would strongly recommend

that the Railway management should be required to cut down establishments and effect other economies to the extent of Rs. 2¾ lakhs which in the opinion of the Committee could be done without affecting the efficient working of the Railway. The total working expenses of the Railway will then stand reduced to Rs. 27½ lakhs and show a percentage of 78 to the estimated earnings of 35 lakhs.

Total Savings	Capital	2½ lakhs.
Do	Revenue	4¼ „
	Total ..	6¾

Resolution No. 26.—EDUCATION DEPARTMENT.

110. In concurrence with the Inspector-General of Education the Committee recommends the reductions in the budget of the Education Department as indicated in the statement attached to the Inspector-General's letter No. 4031, dated 24th April 1922, resulting in a saving of 5¼ lakhs of rupees, in the present level of expenditure.

111. The main items of retrenchments in the department about which the opinion of the Committee is unanimous are the following :—

	Rs.
(1) Direction—Salaries	10,000
Savings due to absorption of Probationers and certain adjustments in the Library, Publication and Visual Instruction Sections	
(2) Secondary Education—	
English High School Staff and Establishment..	13,000
Savings due to the abolition of, Relieving Teachers, Commercial Instruction and of Morning Entrance Classes	
(3) Science Hall, Bangalore	59,000
Reduction out of the special provision of Rs. 85,000 made this year.	
(4) Vernacular School Buildings grant to be cut out	20,000
(5) Practical and Manual Instruction Classes to be abolished.. ..	25,000
(6) Grant-in-aid of Primary Schools including building grants to be reduced	77,000
(7) Village School Fund Savings on account of abolition of Practical Instruction Classes and reduction of building grants	42,000
(8) Mechanical Engineering School, Power House Equipment Reduction in grant, special for this year	46,000
(9) Technical Education— Scholarships: anticipated savings	10,000
(10) Panchama Education	50,000
It is a non-recurring grant for this year and hence cut out	
(11) Publication of Books	15,000
Provision to be reduced.	
(12) Scholarships	30,000
General reduction on account of systematisation of Scholarships as per Government Order of 3rd December 1921.	
(13) Savings in scholarships on account of reduction proposed by the Committee by making all local scholarships tenable for only 9 months in the year.	50,000
(14) Other minor itmes	78,000
Total ..	5,25,000

112. The Inspector-General of Education has proposed to utilise about 1,66,000 rupees out of the savings of 5¼ lakhs above referred to for certain developments and new activities, the chief of which are the following :—

(*i*) Rs. 25,000 for improvement of Science Classes in Tumkur and other Collegiate High Schools to admit of more students.

(*ii*) Rs. 10,000 as grants for loss of income from scholarship-holders and free students in aided schools.

(*iii*) Rs. 30,000 building grants to hostels under the new rules.

(*iv*) Rs. 13,000 towards increase of fees to examiners.

(*v*) Rs. 25,000 for Polytechnic scheme in some A.-V. Schools.

(*vi*) Rs. 10,000 for scholarships to private candidates in Lower Secondary Training Classes.

(*vii*) Rs. 18,000 for extra boarding and clothing charges of Panchama schools.

(*viii*) Rs. 35,000 for other minor items.

In respect of these proposals the Committee observes that the saving resulting from retrenchment measures should first be utilized towards wiping out the budget deficit before any developments of schemes in progress or starting of new activities involving additional expenditure can be thought of.

NOTE—By Mr. Balasundaram Iyer.—None of these except No. (*v*) can be described as new activities. Educational work must provide for some expansion as an inevitable condition of its life and if the items referred to in this paragraph are cut out there will be a most disastrous set-back even in the existing facilities.

113. Besides the proposals suggested in para 111, the Committee (by a majority of 6 to 1) recommends the following economies, Mr. Balasundaram Iyer recording his separate views about them. (*Vide* copy of letter dated 30th April 1922 attached, page 35).

(*a*) *Direction.*—The Committee is of opinion that the Inspector-General of Education with one Deputy should be able to cope with the entire work of the department including inspection of schools.

The posts of two Circle Inspectors and of the Inspectress may be abolished. Mr. Balasundaram Iyer while agreeing to the abolition of the offices of the Inspectress and one of the Circle Inspectors proposes to retain the other Circle Inspector as the Second Deputy Inspector-General in the central office. The Committee does not agree to this.

The Committee is in favour of abolishing all the Industrial Schools which are not working satisfactorily. Those at Channapatna, Dodballapur and Sagar may be retained. And as under the proposed arrangement there will not be sufficient work for the Technical Assistant to the Inspector-General of Education that appointment is unnecessary. The control of the Industrial Education may remain with the Inspector-General and the contemplated transfer of it to the Director of Industries and Commerce may be given up. Mr. Balasundaram Iyer is agreeable to the abolition of the Industrial Schools not working efficiently at present, but wishes to retain the Technical Assistant in view of his proposal for introducing Polytechnic Scheme in some of the A.-V. Schools.

(*b*) *Inspection.*—There are 3 District Inspectors and 6 Assistant Inspectors and Inspectresses for Urdu Schools and the Committee considers that one of the District Inspectors is too many and may be reduced. Mr. Balasundaram Iyer considers that if one Inspectorship is abolished at least an Assistant Inspector will be necessary in his place. The Committee concurs with him.

There are 8 officers of the Assistant Inspectors' grade doing duty as Office Assistants to the Circle Inspectors and 6 District Inspectors. With the abolition of the Circle Inspectors the two office Assistants should also go. Personal Assistants to District Inspectors are unnecessary. Mr. Balasundaram Iyer states that the present staff of the Assistant Inspectors is inadequate to cope with the work and proposes that the eight men doing duty as Office Assistants may be drafted as Inspecting Officers for the ranges. This is unnecessary.

(*c*) *Chamarajendra Technical Institute.*—The Committee considers that the establishment of the Arts and Industrial and Crafts Sections of this Institution is kept on too liberal a scale and the higher superintendence is unnecessarily expensive and may be cut down.

(*d*) The Educational Library and Museum with its separate establishment in the Sheshadri Memorial Hall may be abolished.

Mr. Balasundaram Iyer agrees that the Educational Museum may be abolished but wishes to maintain the Educational Library which is a Central Professional Library for the Department.

114. These additional proposals if accepted will result in a saving of about Rs. 60,000 per annum as indicated in the subjoined statement. The total retrenchments including the proposals contained in paras 110—111 *supra*, amount to Rs. 5,85,000.

		Savings Rs.
1	Abolition of two Circle Inspectors and one Inspectress ..	15,000
2	Abolition of one Urdu District Inspector on Rs. 175. giving one Assistant Inspector on Rs. 75—10—125 in his place	1,200
3	Eight Office Assistants to Circle Inspectors and District Inspectors 2 (75—10—125) or $216\frac{2}{3} \times 12$	2,600
	6 (57—4—77) or $70 \times \frac{1}{3} \times 6 \times 12$	5,064
4	Savings under Industrial Schools including staff, contingencies, travelling allowances, etc	30,000
5	Educational Library and Museum	2,700
6	Reduction in clerical staff, contingencies, etc.	2,700
	Total ..	59,264

Copy of letter No. C. 4031 *of* 21-22, *dated the* 30*th April* 1922, *from the Inspector-General of Education to the Secretary, Special Committee. Vide para* 113 *supra.*

With reference to your letter No. Spl. 223 of 28th April 1922, I have the honour to state that I approve of the proposals mentioned therein except the following : —

Direction.—It will be very difficult to cope with the entire work of the Department, including inspection of schools with only one Deputy Inspector-General, and that another Deputy Inspector-General is absolutely necessary, if the Circle Inspectors are to be abolished.

Industrial Schools.—I am in favour of the proposal for the abolition of the Industrial Schools not working satisfactorily. But the Technical Assistant will be necessary in view of the proposed introduction of the Polytechnic scheme in some of the Anglo-Vernacular Schools.

Urdu District Inspectors.—As already explained in my letter No. C. 4031 of the 24th instant, an additional Urdu Assistant Inspector will be absolutely necessary, if one Urdu District Inspector were to be abolished.

Office Assistants to Circle Inspectors and District Inspectors.—As already explained, these office Assistants will be necessary for the ranges for inspection work. The Assistant Inspectors have very large jurisdiction at present, and inspection work cannot be, and is not, done with efficiency. I wish to say with all the emphasis at my command, that an addition to their number to this extent is very necessary.

Educational Library and Museum.—The Educational Museum is not of any use at present and may be done away with. Steps are being taken to dispose of the articles and the establishment will be disbanded as soon as possible. But the Library is very necessary as it is essential to maintain a good and up-to-date professional library for the use of the department.

The proposal to utilise savings resulting from retrenchments towards the wiping out of the budget deficit before any developments of schemes in progress or starting of new activities involving additional expenditure could be thought of, though quite unexceptionable ordinarily, cannot be wholly applied to educational work, where a certain amount of expansion is inevitable unless future generations of citizens of the State are to be seriously handicapped as a consequence of our shortcomings.

Resolution No. 27—THE CO-OPERATIVE DEPARTMENT.

115. The Committee discussed with Mr. R. Ranga Rao, Registrar of Co-operative Societies, the feasibility of retrenchments and economies in his department. Mr. Ranga Rao stated that compared with the strength of the Co-operative Department in Madras, the staff here was undermanned and that in his opinion it required considerable increase both in the gazetted and non-gazetted ranks. The number of societies in Mysore was about 1,550 and on the basis of 40 societies to an Inspector the number of Inspectors which was 42 at present could not be reduced without sacrificing efficiency. He, however, explained that about 300 societies were not working satisfactorily and that they had to be wound up sooner or later. When that is done about 7 Inspectors may be abolished. There is a Weaving Inspector on Rs. 100 provided for 6 months in the current year's budget who is also not required from next year. In view,

however, of the present financial condition he was agreeable to surrender 7 Inspectors immediately as a temporary measure. This proposal would result in a saving of about 8,400 rupees per annum.

116. The Committee considers that including audit and inspection work, one Inspector should suffice for 50 societies. 30 Inspectors would be required for 1,500 societies which are to be reduced by 300 as above stated. Twelve Inspectors may be brought under reduction immediately. In the opinion of the Committee it would be more convenient and distinctly economical if the audit and inspection is done by one and the same Inspector. This will result in considerable saving of time and travelling allowance. Mr. Balasundaram Iyer would rather accept the Registrar's opinion on this point.

117. Mr. Ranga Rao also suggested that the exemption from payment of court fees on suits before the Registrar may perhaps be withdrawn on the ground that the concession benefits only the defaulters against whom the suits are filed and who in most cases have ceased to be members of the societies. In order to obviate the hardship in asking the plaintiff-society to pre-pay the court fees as in civil courts, the amount due to Government may be included in the decree and recovered along with the amount due to the decree holder. He estimated the revenue from this source at about Rs. 12,000 per annum. The Committee agrees to this proposal. In British India no such concession is stated to be in force, as suits must go before the civil courts.

118. Mr. Ranga Rao was not in favour of withdrawing any of the other concessions now granted to Co-operative Societies, *viz.*, exemption from payment of stamp duty, registration fee, search fee, or income-tax.

119. Against the resulting improvement of about Rs. 20,000, Mr. Ranga Rao stated that he wanted an additional provision of an equal amount for next year as the existing grant for travelling allowance was totally inadequate. Mr. Balasundaram Iyer is inclined to support the Registrar's proposal and considers that in this department where the bulk of the useful work consists of inspection of societies by Inspectors and other Officers, adequate grants should be provided for travelling allowances. Every care should be taken that the travelling is not done aimlessly but this is different from cutting down the grants to a point which compels the men to sit quiet at their headquarters. The Committee does not recommend the additional provision asked for.

120. The Gazetted Staff of the Department consists of a Registrar and a Personal Assistant with two Assistant Registrars located at Shimoga and Mysore. A Probationer on Rs. 150 has also been recently added. The Committee considers that as a temporary measure of economy the Registrar with a Personal Assistant only should be able to run the department. The Probationer may also be withdrawn along with the two Assistant Registrars. Mr. Ranga Rao stated that the appointment of the two Assistant Registrars had not afforded him any considerable relief and that if forced to effect further economies in his department he had no objection to do without them for about a year. He added that if the Assistants were taken away the supervision work would fall more heavily on him.

121. Non official public opinion is decidedly in favour of reducing the Inspectorate and Superior establishment.

122. The financial effect of the foregoing economies will be an improvement of Rs. 34,000 per annum as per details given below:—

	Rs.
(*i*) Abolition of two Assistant Registrars and one Probationer. $2 \times 250 + 150 \times 12$	7,800
(*ii*) Abolition of 12 Inspectors with menials $12 \times 100 \times 12$ ..	14,400
(*iii*) Levy of Court-fees on suits filed in the Co-operative Department	12,000
Total ..	34,200

Resolution No. 28.—GEOLOGICAL DEPARTMENT.

123. The Committee examined both Dr. Smeeth and Mr. Jayaram in *re* the feasibility of retrenchments in the Geological Department. Mr. Sampathiengar, Professor of Geology, who was long connected with the Department gave evidence before the Committee. None of them has any faith in the utility of prospecting by the department for commercial purposes, Such work has produced no results. On the other hand the scientific work of the department has been hampered on that account. In the opinion of the Committee it would be desirable to leave commercial prospecting work to the enterprising public and to suitably revise the departmental rules in the matter.

124. A geological map of the State was published in the year 1915. The writing up of a correlated geological history on the basis of the preliminary survey and mapping already done is long overdue and this work should be undertaken and completed without loss of time. A revision survey in detail is unnecessary. The department should confine its attention to purely scientific mineral survey and prospecting work, analysis of rocks and minerals and administration.

125. The Committee has considered whether, with the reduced operations of the department, it is necessary to have a whole-time officer to run the department or whether the charge may be combined with any other office. Some of the non-official witnesses have suggested that the Professor of Geology in the Mysore University may be appointed *Ex-officio* Director of Geology. Mr. Sampathiengar, who was consulted in the matter, has presented a scheme for the future working of the department, which will result in a saving of Rs. 25,000 per annum (*vide* enclosure page 38).

126. According to Mr. Jayaram's proposals, the following will be the Gazetted staff required for the department, with its reduced operations:—

1 Director on Rs. 1,000—100—1,200 Pay as at present.
1 Office Assistant on Rs. 150—200.
1 Assistant Geologist on Rs. 300—25—450
1 Sub-Assistant Geologist who should be a trained Chemist also Rs. 125—$2\frac{5}{2}$—250.

The posts of 1 Senior Geologist, 1 Assistant Geologist, 4 Sub-Assistant Geologists and 4 Probationers may be abolished. Mr. Jayaram agrees also to the abolition of the Assistant Chemists on 70—150 and 4 clerks in his office. These proposals are expected to result in a saving of Rs. 32,000 net.

127. Judging both the schemes, the Committee considers that the one outlined by Mr. Sampathiengar is likely to meet the immediate needs of the State by continuing the useful activities of the department and providing a training to the subordinate staff and deserving Geology Graduates of the University. A highly paid Director of Geology would be unnecessary. The Committee is of opinion that the Professor of Geology can conveniently attend to this work in addition to his College duties and accordingly recommends Mr. Sampathiengar's proposals for the acceptance of Government. The association of the University Professor with siientific Geological work as above proposed commends itself to the *Vice*-Chancellor of the University.

Proposition statement of the Geological Department referred to in para 125.

Present scale	Pay per month	Proposed scale	Pay per month	Savings
A. Officers—	Rs.	*A. Officers*—	Rs.	Rs.
1. Director	1,200	1. *Ex-officio* Director ..	200	1,000
2. Office Assistant	170	2. May be dispensed with ..	..	170
3. Senior Geologist	575	3. To be transferred to the Iron Scheme *vice* Mr. Morris whose services may be dispensed with	..	575
4. Assistant Geologists (2) ..	700	4. Assistant Geologist for Survey	700	..
5. Do (S. P. T.) (1) ..	325	5. Do (S. P. T.) 1 ..	325	..
		NOTE.—One Assistant Geologist for Survey. Two Assistant Geologists for prospecting.		
6. Sub-Assistant Geologist (1) Probationers (4) 82 ..	175 328	6. Sub-Assistant Geologist (1) for inspecting of prospecting blocks in grade Rs. 200—20—300	200	Rs. —25
		Surveyors 3 in grade 100—10—150	300	28
		NOTE.—The fourth Probationer to be transferred to College. Each Surveyor to be tacked on to an Assistant Geologist.		
7. Assistant Chemists (2) 130	260	7. Assistant Chemist (1) in grade Rs. 150—10—200 ..	150	110
		NOTE.—Most of the analytical work now done by the Assistant Chemist is in connection with the Iron Scheme : for purely Geological Dept. work one Chemist will do.		
B. Establishment—		*B. Establishment*—		
(Excluding Assistant Chemists which see above).		Head Clerk (1) 100—10—150 ..	100	
Clerks (77—6—100), (57—4—70) (40—4—60), 3 (30—4—50), (30—2—40) Draughtsmen (55—5—80), 35), (30), Laboratory Assistant (20—2—30), Librarian (30) Shorthand Allowe, 7	864	Clerks (2) 70—6—100 ..	140	
		Do (3) 40—4—60 .. (includes a typist)	120	
		Draughtsmen (1) 100—10—150	100 100	84
		Do (1) 40—4—60 ..	60	
Servants—				
Jamadar (15), Mutchi (12), Daffadar (12), Sub-Daffadar (10), Peons (3) 9, 3 (8), 13 (7) Head Laskar (10) Laskars 2 (9), 6 (8) Sweeper (7) Section Cutters 4 (8) ..	300	Jamadar (15), Mutchi (12), Daffadar (12) Peons (12), (10), Laskars 6 (10), Section Cutters 2 (10), Sweeper (7) ..	..	60
Temporary Establishment, Fieldsmen, Special Officers' Establishment—				
Section Cutters 2 (7), Gardener (8) for three months. Fieldsmen 4 (30) for four months. One-third of the cost of Special Officer's Establishment. Stenographer (70), Clerks (30), Jamadar (16), Daffadar (12), Peons 3 (8), Laskars (12), (10) Draftsman (80—D. A. 16) Shorthand Allowance 7) ..	.. 158	All these may be dropped except a gardener on Rs. 8.	8	150
C. Travelling Allowance—		*C. Travelling Allowance*—		
Officers	5,000	Officers	4,000	83
Establishment	3,000	Establishment	2,000	83

Present scale	Pay per month	Proposed scale	Pay per month	Savings
	Rs		Rs.	
D. Special Charges—		*D. Special Charges—*		
Library and Laboratory ..	1,000	Library and Laboratory ..	1,000	
General Prospecting	1,000	General Prospecting and other investigation work ..	3,000	—166
Geological Maps	500	Maps	500	..
Contingencies	2,018	Contingencies	1,500	35
		Total Savings effected per month	2,187	..
		That is, Rs. 26,244 per annum.		

It is suggested that a sum of Rs. 1,200 per annum may be set apart to encourage and to associate the best B.Sc. Students of the Mysore University in practical post graduate work. The students can accompany Field parties and thereby get to know surveying and prospecting methods. If found competent they may be taken into the department or sent abroad for Foreign Training. If this suggestion be adopted it will result in a budget saving Rs. 25,000 per annum in the Mysore Geological Department.

Resolution No. 29.—AMRITMAHAL DEPARTMENT.

128. The Committee has discussed the financial aspect of the Amritmahal Department with Mr. K. R. Krishnaswami Iyengar, Account Assistant to the Chief Commandant and has examined the Amritmahal Superintendent, Mr. Venkata Rao, and the Chief Commandant, Lt. Col. Sardar Bahadur B. Chamaraj Urs.

129. The obligation to supply draught bullocks to the British Military Department ceased long ago and the annual requirements of the Mysore Imperial Transport Corps are stated to be about 50 four-year old bullocks as the Corps has been reduced to half its strength, *i.e.*, 140 carts. The question of reducing the number still further is understood to be under the consideration of Government.

130. The Amritmahal Department is maintaining at present 18 herds consisting of 9,228 head of cattle. For the purpose of the Mysore Military Department, it is considered sufficient according to the Chief Commandant if three herds only, *i.e.*, 1,500 head of cattle are kept up. And the Committee understands that it is under contemplation to hand over about 500 cows with a certain number of bulls, etc., to the Live Stock Expert for undertaking an experiment for supplying good breeding bulls to the raiyats and thereby improving the stock of cattle in the State.

131. The Committee has seriously considered the need for the continuance of the department at its present strength which is entailing an average annual loss of about half a lakh of rupees taking both direct and indirect charges.

132. There is a consensus of opinion among the non-official witnesses examined by the Committee that the Amritmahal bullocks are not easily amenable to control under the plough and that for use by raiyats as draught bullocks, over a year's previosu training is necessary. The bullocks are sold by the department in their wild state and do not therefore fetch their proper price. There is no training depot established by Government. A large extent of fertile lands, some of which are fit for bagayat cultivation, is included in the Amritmahal Kavals and appears to be in great demand by the raiyat population. The lands would yield a large amount of money to Government if sold to the raiyats. Mr. Venkata Rao's evidence bears out these points.

133. Having considered all the aspects of the case, the necessity of maintaining the strain of the Amritmahal breed, the agricultural needs of the country, and the present condition of our finances, the Committee recommends for the consideration of Government, the following scheme submitted by Mr. Venkata Rao for making the department a self-supporting one. The proposal promises to yield at the same time a large amount of non-recurring revenue and an annual income of about half a lakh of rupees.

134. The main features of the scheme are as follows :—

(*i*) Of the 18 herds maintained at present, about 9 herds only containing about 4,000 head, the pick of cattle may be retained and the rest sold off. This will immediately yield about 2½ lakhs of rupees according to Mr. Venkata Rao.

(*ii*) The 9 herds may be located in two districts, about 5 in the Chitaldrug District and 4 in the Kadur District.

(*iii*) About 1 lakh of acres of land out of 2,68,000 acres now comprised in the kaval area may be released. Of these, about 40,000 acres of good land will be available for immediate sale to the raiyats which will fetch a very large amount, estimated by Mr. Venkata Rao at about Rs. 28,00,000 to 30,00,000 at an average rate of 70 rupees an acre and also a sum of Rs. 50,000 per annum as annual assessment. These estimates are not extravagant.

(*iv*) For realising this revenue, without loss of time, a Special Officer may be appointed with a suitable set of mojinidars for phoding, etc., for a period of about one year.

(*v*) With a reduction by one half in the strength of the cattle, a separate Amritmahal Department becomes unnecessary. The cattle establishment may be reduced, and the Deputy Commissioners of the Chitaldrug and Kadur Districts may have the control of the herds in their respective districts, assisted by a daroga each with the necessary subordinate staff of servegars and moondals, etc., on the present scale.

(*vi*) A part of the saving thus realised may be utilised for establishing a small training depot at Ajjampur with paddocks, etc., suitable for about 100 cattle. This will popularise the use of Amritmahal cattle by raiyats and others.

(*vii*) The Live Stock Expert may be the Technical Adviser to the Deputy Commissioners who will be able to consult the agricultural needs of the people of these districts in maintaining the cattle establishment in their charge.

(*viii*) The 500 cows and bullocks required by Mr. Davison may come out of the 4,000 head, proposed to be retained. The Committee, however, is not in favour of this experiment as it would cost a large sum of money and is not likely to prove a success.

135. The Chief Commandant does not agree to the proposed reduction of the Amritmahal cattle and staff. He considers that the prospect of realising a large amount of revenue, Rs. 28 to 30 lakhs, by the sale of Amritmahal kaval lands, though alluring is of remote contingency and that the sale of about half the stock will not yield Rs. 2½ lakhs as estimated by Mr. Venkata Rao. When about 500 cows with the necessary bulls are handed over to the Live Stock Expert and about 700 to 800 old cows and non-breeders, etc., are sold out the operations of the department will be reduced and the Chief Commandant thinks that a Superintendent on a high salary of Rs. 600 will not be required. Only an officer on Rs. 300 or 400 will do to run the department. Some reduction in the cattle establishment will also be possible and the Chief Commandant states that he will examine the question.

136. The Committee, however, thinks that Mr. Venkata Rao's proposals deserve favourable consideration, even if his estimates are considered too sanguine. The arguments advanced by the Chief Commandant for the retention of the department under a separate whole-time officer are not convincing to the Committee. If prompt measures are adopted for phoding the lands thrown open for cultivation and making them available to the raiyats, there will be a considerable amount of non-recurring revenue accrueing to the State and a substantial increase of land revenue to the tune of about half a lakh annually.

137. This scheme has the special advantage of the department being kept up on lines on which the agricultural population may derive the fullest use from it, at a minimum cost to the State. The Committee therefore strongly recommends its acceptance by Government.

138. The net result will be a saving of about Rs. 22,000 in establishment, an addition to land revenue of about Rs. 50,000 a year, and proceeds from sale of Kaval lands and cattle about Rs. 25,00,000.

Resolution No. 30.—CIVIL SECRETARIAT.

139. The following are the Committee's recommendations for retrenchment and economy in the General and Revenue Secretariat :—

(1) As already recommended, the number of Secretaries may be reduced from 3 to 2 by suitable delegation of powers to Heads of Departments, changes in methods of work and redistribution of work among the other Secretariat Officers.

The Under and Assistant Secretaries may be empowered to submit ordinary cases direct to the members of Government concerned instead of through the Secretaries.

The question of the amalgamation of the Office of Comptroller and Financial Secretary will form the subject of a separate resolution.

(2) The post of one Assistant Commissioner each on His Highness the Yuvaraja's Personal Staff and in the Dewan's Office has already been abolished. The number of subordinate Secretariat Officers at present is 9 including the Registrar. The Committee considers that this may be reduced to 7 by suitable readjustment of work. The Registrar should be given the charge of case work of certain sections in addition to office branch as there is a Deputy Registrar to assist him in the office work and to do duty as Special Officer at Mysore during the Birthday and Dasara functions.

(3) The Committee is not convinced that the retention of the class of Superintendents, who do no case work themselves, is necessary. The general sense of the non-official witnesses examined by the Committee is that the Secretariat like other offices in the State is overmanned and that there are too many supervising officers.

There are 11 Branches in the Secretariat each in charge of a Superintendent and 15 Superintendents, 4 in the first grade and 11 in the second grade distributed as in the margin. The number of Branches may be reduced by 3 by suitable re-grouping. The Efficiency Audit Staff may be abolished. The Committee is of opinion that the number of first grade Superintendent may be reduced by 2

1	Deputy Registrar.
1	Superintendent, Dewan's Office.
2	Efficiency Audit Staff.
11	In charge of Branches.
15	

and that of the second grade by 3. The temporary Auditor, Efficiency Audit, on pay of Rs. 100 is also not necessary. The remaining 8 Superintendents in charge of Branches should also be entrusted with case work. An equal number of First Division Clerks may be brought under reduction. Mr. M. C. Rangaiengar would abolish the grade of Superintendents altogether and keep the First Division Clerks.

No Reserve Staff need be maintained in the First Division for privilege leave vacancies.

With the reduction in the number of Branches as above proposed and simplification of work, the strength of the Second Division Clerks may be reduced by about 12.

As regards the Stenographers and Typists, such of those as are attached to officers whose appointments are brought under reduction will also go. Three additional hands may perhaps be abolished when the number of branches is reduced.

There is a temporary staff of 2 hands entertained in connection with the revision of the Mysore Gazetteer. A lumpsum grant of Rs. 3,000 is allowed to the Secretariat for casual establishments and the Committee thinks that the cost of all such temporary establishment should be met out of this lumpsum grant.

(4) As regards Menial Staff, the Committee is of opinion that the system of giving Home Orderlies to officers should be done away with and the Central Office should set an example in this matter to the other Offices in the State.

(5) Recommendation has already been made for closing the dispensary and for limiting the charges of the General and Revenue Secretariat Library to Rs. 2,500 and for abolishing the Reading Room Section of it.

140. If the foregoing proposals are accepted, there will be a reduction of about Rs. 63,000 per annum in the cost of the Civil Secretariat. This does not include reduction in the Menial Staff.

ABSTRACT OF SAVINGS.

	Pay per mensem.
One Secretary Rs. 1,000+150 D. A. ..	1,150
Two Assistant Secretaries, Rs. (350+50 D. A.)×(2) ..	800
Five Superintendents, two 1st Grade, three 2nd Grade, Rs. 240×2+160×3 One temporary Auditor Rs. 100..	1,060
Sixteen First Division Clerks at Rs. 80 ..	1,280
Twelve Second Division Clerks at Rs. 50 ..	600
Six Steno Typist and Typists at Rs. 50 ..	300
Temporary hands for the Gazetteer Section ..	90
Total ..	5,280 per mensem
	or 63,360 per annum.

Resolution No. 31.—MUZRAI DEPARTMENT.

141. The non-official witnesses who were examined by the Committee have unanimously stated that the post of the Muzrai Superintendent and *Ex-officio* Secretary is quite unnecessary and should be abolished. The responsibilities of the Muzrai Superintendent in connection with the Muzrai Institutions within the State are nominal, as they are really under the control of the Deputy Commissioners who are directly under the orders of Government. But there is reason to think that the Deputy Commissioners are not adequately discharging their duties apparently because the Muzrai Superintendent is an intermediary between them and the Government. All the work now done by the Muzrai Superintendent can be done equally well if not better by the District Officers. Local sentiment will also be conciliated.

As regards the administration of institutions outside the State which are about half a dozen in number, this work can be entrusted to the Muzrai Assistant who, the Committee recommends, should be appointed in the Secretariat for doing Muzrai work.

This officer should be of the rank of an Assistant Commissioner and be attached to one of the Secretaries and work directly under the orders of the Member in charge of the Muzrai portfolio. This will involve the abolition of one post of Deputy Commissioner's grade and an addition of one to the Assistant Commissioners' cadre. The cost of the office staff can also be reduced from Rs. 1,250 to Rs. 800 per month.

142. The Committee examined Mr. Aravamudu Iyengar who was for a long time in charge of the Muzrai Department. This Officer is not in favour of the abolition of the post of the Muzrai Superintendent for the reasons stated by him.

But the Committee observes that the accounts of the Muzrai Institutions are not properly maintained inspite of the existence of a Muzrai Superintendent for so long a time.

143. The Committee has also examined Mr. Mrityunjaya Iyer who was for a long time in the Muzrai Department and was recently engaged in overhauling the Muzrai accounts. He thought that the appointment of a highly paid Officer at Headquarters was not necessary, that more than three-fourths of the work of that officer may be entrusted to Deputy Commissioners and that the Office Establishment may be considerably reduced. He also thought that the cost of the reduced headquarters establishment alone should be borne by Government, that of the districts and taluks being met from the Muzrai Establishment Fund and suggested that grants required for construction and repairs of buildings should be provided out of the funds of the institutions concerned and not by Government.

144. There appears to be a strong public opinion that the Muzrai Institutions in the State are not properly attended to, as under the existing arrangement the local officers feel that they have not got full authority over them. The suggestions made by the Committee will have the effect of improving the working of these institutions besides securing a saving in cost of about Rs. 10,000 per annum as detailed below :—

ABSTRACT OF SAVINGS.

Pay of Muzrai Superintendent		800
Deduct pay of Assistant Commissioner Rs. 350+50 ..		400
Net Savings ..		400
Reduction in establishment Rs. 1,250—800		450
Total ..		850 per mensem or 10,200 per annum.

Resolution No. 32.—KUNIGAL STUD FARM.

145. The non-official witnesses have with one voice voted for the abolition of this Farm. The annual loss in working it is about Rs. 74,000. It does not furnish remounts to our Cavalry Regiments. The Stud Farm has the credit of producing a few race horses. But this is not a purpose for which such costly establishment should be kept up by Government. The birth-rate is also low, being ·26, showing that the conditions are uncongenial. The required fodder and gram is bought by the department at a great cost. About 1,300 acres of good arable land in the vicinity of Kunigal is appropriated by this Farm, which the raiyats would eagerly take up for purposes of cultivation.

146. The Chief Commandant had no good word for the Farm and he did not think it would do even for pony-breeding purposes.

147. The Committee considers this a costly luxury and would strongly recommend that the Kunigal Stud Farm be abolished and the lands set free for agricultural purposes.

ABSTRACT OF SAVINGS

	Rs.
Reduction in cost	74,000 per annum.
Proceeds of the lands about 1,300 acres at Rs. 100 an acre, *viz.* ..	1,30,000
Annual Assessment	2,500 per annum
Stock (177 Mares, Stallions, etc.)	50,000 Approx.
Total improvement Rs. 76,500 per annum recurring, and Rs. 1,80,000 not recurring.	

Resolution No. 33.—MILITARY DEPARTMENT.

148. The Committee has perused the Secretariat file regarding the reorganisation of the Military Establishment and has noted the proposals of Government.

149. The non-official witnesses who have appeared before the Committee have all submitted that in view of our obligations to the British Government for payment of the Subsidy and the liability of the people of the State to contribute their quota towards the Imperial Customs and Salt Revenues, the Military expenditure of the State should be considerably reduced.

150. In the stage at which the question of the reorganisation of the State's combatant forces now stands, the Committee has refrained from offering any opinion in the matter of reducing their strength, much as it would wish that the Military expenditure should be kept as low as possible. It is respectfully suggested that the personnel of the Transport Corps in excess of the one troop proposed to be kept up may be disbanded. In the opinion of the Committee it would not be difficult to enlist the men whenever required.

151. As regards the other items of expenditure in the Military Budget the Committee submits the following recommendations :—

(*i*) The proposals in the file under reference provide for the grant for the Palace Military Establishment being raised from Rs. 1,14,000 to Rs. 1,50,000. It is respectfully submitted by the Committee that the present grant of Rs. 1,14,000 from General Revenues may continue till the State's finances improve.

(*ii*) The grant for Military Works may be reduced by one-half and limited to Rs. 60,000.

(*iii*) The Kunigal Stud Farm which entails an annual expenditure of Rs. 74,000 may be abolished. A separate Resolution has been submitted on this subject.

(*iv*) The expenditure on headquarters may be limited to 50,000 rupees.

(*v*) The Grass Farms under the control of the Military Department should be made self-supporting.

152. The Committee has under consideration the feasibility of reducing the expenditure on the Infantry Regiments and this will form the subject of a separate Resolution.

153. According to the foregoing suggestions the Military expenditure of the State (18¼ lakhs) will stand reduced by about two and one-third lakhs as indicated below :—

	Rs.
(*a*) Disbanding the extra personnel in the Transport Corps ..	46,000
(*b*) Enhancement of the grant for Palace Military to be deferred ..	36,000
(*c*) Reduction of the grant for Military Works from Rs. 1,20,000 to Rs. 60,000	60,000
(*d*) Abolition of Kunigal Stud Farm	74,000
(*e*) Limiting the expenditure on headquarters to Rs. 50,000 as against Rs. 70,000 proposed	20,000
Total ..	2,36,000

Resolution No. 34.—(TRAVELLING ALLOWANCE.)

154. The Committee has reason to believe that the expenditure under travelling allowances is very much higher than what is necessary in the public interests. It was Rs.6¼ lakhs in 1909-10, rose to Rs. 8 lakhs in 1915-16 and further to Rs. 11½ lakhs in 1920-21.

155. The Committee has noticed that there has been some reduction in the grants allotted for travelling allowances since 1920-21. But it has not gone far. A number of non-official witnesses have stated that in several instances travelling allowance is made a source of profit and that rapid journeys are undertaken with this object in view, more than for public benefit. The days of slow marches through the districts coming into daily contact with the people and learning their wants and grievances are gone and rapid and hurried travelling in vehicles of high speed is the order of the day. As a remedy

for this state of things, the witnesses have made several suggestions, chief of which are the following:—

I. The system of granting double railway fare to officers in superior service may be abolished and passes entitling them to travel by railway with necessary servants and luggage may be issued instead.

II. Suitable fixed allowances may be granted to touring officers and the rule requiring them to camp out the minimum number of days strictly enforced.

III. The system of granting advances for purchase of motor cars may be abolished and rapid journeys by motor vehicles which serve no useful purpose to the public and entail unnecessary cost to Government, may be put a stop to.

IV. The rule regarding the grant of road mileage to officers may be entirely done away with. They should be permitted to draw only daily allowance while on tour.

V. Wherever a public conveyance such as a motor bus is available for performing a journey by road, that means of locomotion should be availed of and double the fare actually paid by the officers should be charged to Government.

VI. The number of clerks and menials accompanying officers on tour is needlessly large and should be reduced.

VII. The minimum touring fixed in the case of several officers is too high and should be reduced by 50 per cent.

156. The Committee recognises that there is considerable force in the above representations and suggestions.

The recent enhancement of the railway fares will considerably add to the expenditure on travelling allowances.

Recommendation has already been made for giving the Amildars a fixed allowance of Rs. 40 per mensem instead of permitting them to draw travelling allowance under the usual rules for journeys within their jurisdiction. The Committee is examining the question of extending this principle to the case of other touring officers in the State and proposals in that behalf will be submitted separately.

In the matter of rates of travelling allowance admissible for journeys on tour, the Committee has referred to the scale of allowances recently sanctioned in Bombay.

157. Considering all the aspects of the case and the present conditions, the Committee is of opinion that the present rates of daily allowance and mileage in the Mysore Service Regulations are susceptible of reduction and the following suggestions are offered for effecting economy in this direction:—

I. *Daily Allowance.*

The allowance of Rs. 7½ per day to officers whose salaries exceed Rs. 1,200 seems high and may be reduced to Rs. 6.

II. *Railway Fare.*

The rule regarding accommodation by railway may be revised as under:—

First Class to officers whose salary is Rs. 500 and upwards.

Second Class to officers whose salary is less than Rs. 500, but not less than 100.

Third Class to other officers in superior service, and menials.

Officers entitled to travel in the First Class may be granted *single* first class fare plus one second class fare in lieu of *double* 1st class fare as at present. Mr. Balasundramaiyer, however, suggests that the usual daily allowance may be given in addition to *single* railway fare. In the case of officers on pay of Rs. 40 and upwards, but less than Rs. 100 one intermediate class fare wherever communication in that class is available plus a third class fare may be allowed.

III. *Road Mileage.*

The Committee is strongly of opinion that rapid journeys by motor cars should be discouraged and in the case of journeys exceeding 30 miles one-half the usual mileage otherwise admissible should be allowed for the excess distance.

The system of granting advances to officers for purchase of motor vehicles should be stopped. Only officers of and above the grade of Deputy Commissioners will be expected to travel by such conveyances and the grant of motor advances for highly paid officers is not necessary.

158. The following table will show in juxta-position the rates of allowances admissible to the officers at present and those proposed by the Committee.

Class of Officers	Daily allowance		Railway fare		Mileage		Remarks
	Present	Proposed	Present	Proposed	Present	Proposed	
1	2	3	4	5	6	7	8
	Rs. a. p.	Rs. a. p.	Double Ist. class	One first class plus 1 second class	Rs. a. p.		
1. Officers whose salary exceeds Rs. 1,200.	7 8 0	6 0 0			0 8 0	No change	
2 Officers whose salary is Rs. 800 or more, but does not exceed Rs 1,200.	5 0 0	5 0 0	Do.	Do	0 8 0	Do	
3. Officers whose salary is Rs. 500 or more but less than Rs. 800.	4 0 0	4 0 0	Do.	Do	0 6 0	Do	For Journeys exceeding 30 miles half the rates admissible for the excess over 30 miles.
4. Officers whose salary is Rs. 250 or more, but less than Rs. 500.	4 0 0	4 0 0	Do.	Double 2nd. class	0 6 0	Do	
5. Officers whose salary is Rs. 100 or more, but less than Rs. 250.	As 2 for every Rs. 10 of actual salary or fraction thereof in excess.	No change.	Double second class	Double second class.	0 4 0	Do	
6. Officers whose salary is Rs. 40 or more but less than Rs. 100.	Do.	No change	Do.	One Inter. plus one 3rd. When no inter double third.	0 4 0	Do	
7. Other Officers in superior service.	do subject to a minimum of 4 annas.		Double third class.	Double third class	0 2 0	Do	
8. All Officers in Inferior Service.	Do.	No change No change	Single 3rd Class	Single 3rd. class.	0 0 6	* 0 0 6	*Whenever carts are engaged at Government expense to carry Government records and furniture, menials should be provided with seats in such carts and mileage should not be separately charged in their behalf.

159. If the above proposals are accepted by Government consequential changes will have to be made in the travelling allowance rules applicable to Government officers as well as to non-official gentemen travelling in public interest.

160. The Committee considers that the rules contained in Appendix Q, Mysore Service Regulations, regulating the travelling allowance of the Dewan, Chief Judge and Members of Council and of other officers classed with them for proposes of T. A. may also be revised as indicated below:—

Dewan	Present	Proposed by the Committee
(i) Daily Allowance	Rs. 30 in Malnad and Ootacamund. Rs. 20 in Maidan places.	Rs. 20 in all places.

II. Chief Judge and Members of Council and Officers classed with them for purposes of Travelling Allowance will get the following rates:—

	Present	Proposed by the Committee.
(a) Daily Allowance	Rs. 10	No change
(b) Mileage	As. 8	
(c) Railway Fare.—		
(i) A Compartment of Ist class for himselt		(i) A compartment of first class for himself.
(ii) Single III class fare for 4 servants.		(ii) Single III class fare for 2 servants.
(iii) Charges for luggage not exceeding 10 maunds.		(iii) Nil.

(d) The rule permitting Chief Judge and Members of Council etc. to take their wife and other members of family in the reserved compartment without the payment of any extra fares may be cut out.

(e) Also the provision permitting Chief Judge and Members of Council to draw daily batta in addition to Railway fare on the days of journeys by railway or in addition to railway fare and road mileage drawn for the continued journey may be abrorgated.

161. The financial effect of the foregoing recommendations will be a saving of about a lakh of rupees per annum, taking into account the consequential reduction in the number and extent of journeys also.

K. P. PUTTANNA CHETTY,
Chairman,
Special Finance Committee.

PART V.

Improvement of Revenue and Resources.

162. The Committee recommends the following proposals for increasing revenue to the extent of about Rs. 3·64 lakhs with non-recurring receipts of about 26·80 lakhs.

(*a*) *Forest.*—(i) The Committee understands from the Conservator that there is a large stock of reserve material in the shape of timber requiring exploitation in the rich teak forests of Haggaddevankote and that the Ghat Forests in the Shimoga District have remained untouched. If a grant of about Rs. 50,000 in the current year and a lakh in the next year are placed at his disposal for working expenses, Mr. Ramaiengar promises an extra revenue of 3½ lakhs, *i.e.*, one lakh in the current year and 2½ lakhs in the ensuing year. The Committee supports this proposal.

(ii) License fees for removing fuel which vary from annas 8 to annas 4 for a cart-load are low and as suggested by the Conservator may be slightly enhanced by annas 2 per cart-load. This will give an increase of about Rs. 20,000.

(iii) The fees for grazing in State Forests are susceptible of increase and the Committee agreeing with the Conservator recommends their being doubled throughout the State.

(*b*) *Medical.*—Fees may be levied in all hospitals and dispensaries in the State, as in the Cities of Bangalore, Mysore and Robertsonpet. The Senior Surgeon agrees to this proposal. He further suggests that the fees charged for admission to special wards in the Major Institutions may be doubled, *i.e.*, from Rs. 2 and Re. 1 per day to Rs. 4 and Rs. 2 respectively. This may be done.

(*c*) *Travellers' Bungalows.*—The fees for occupation of 1st and 2nd class travellers' bungalows, *viz.*, Re. 1 and Annas 8 per day are capable of enhancement. They may be raised by 50 per cent. The concession of charging half rates to Government Officers drawing less than Rs. 200 may be withdrawn. The Revenue Commissioner is agreeable to these proposals, which may yield an increased revenue of about 10,000 rupees.

(*d*) *Co-operative Societies.*—As suggested by Mr. Ranga Rao exemption from payment of Court fees now granted in respect of suits filed before the Registrar may be withdrawn (*vide* Resolution No. 27). This will yield an annual income of Rs. 12,000.

(*e*) *Amrit Mahal Department.*—If Government approve of the reconstitution of the Amrit Mahal Department as recommended by the Committee (*vide* Resolution No. 29) and the lands released are put up for sale to the raiyats, there will be an increase of revenue of Rs. 50,000 annually and about Rs. 25 lakhs may be realised from the sale of lands and cattle.

(*f*) *Kunigal Stud Farm.*—On the abolition of this Farm as proposed by the Committee (*vide* Resolution No. 32) the lands occupied by it may be set free for agricultural purposes and sold to raiyats. They will fetch about Rs. 1,30,000 as sale proceeds and yield an annual revenue of Rs. 2,500. The realisation from the sale of stock, stallions and mare, etc., is estimated at Rs. 50,000.

B. Sreenivasa Iyengar,
Secretary to the Committee.

K. P. Puttanna Chetty,
Chairman,
Special Finance Committee.

Mono W D 2220—GPB—200—1-6-22.